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EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES

Friday December 7 1984

claimants.

the factory.

sibility on such grounds.

the tragedy in India, Page 16

Grim lessons of

NEWS SUMMARY Hostages killed in **Tehran** hijacking

Hijackers of a Knwaiti Airbus killed at least four hostages at Tehran airport. The official Iranian news agency IRNA said that one passenger, led on to the gangway stairs ontside the aircraft, identified himself as the U.S. consul in Karachi, before hijackers shot him dead.

the U.S. consni in Marachi, before hijackers shot him dead. The State Department in Washington said later that there was a strong possibility that at least one U.S. official had been killed during the hijack, but that the consul was safe in Karachi. The hijacking is believed to be in revenge for Kowait's jailing of 13 men involved in emhassy bombings last November. One Lebanese and two Iragis were sentenced to death but the executions have not appar-ently been carried out.

### GENERAL BUSINESS **Reagan** in Bluebell budget cut to pull out initiative of Europe

President Reagan has seized the political initiative by demanding from his Cabinet draconian cuts in federal spending to try to reduce the budget deficit from \$224bn to \$100bn by 1938. Fierce opposition is expected from Congress and from interest groups that can see the flow of federal dollars slowing and in some cases drying up. Page 18

#### Marcos 'to visit U.S.'

Philippine President Ferdinand ures, the dollar's exchange-rate in-dex improved slightly to 142.5 from Marcos plans to atlend the inaugu-ration of President Ronald Reagan next month and seek medical treat-ment in the U.S., his aides said.

#### Colombo curfew

Sri Lanka's Government imposed a curfew in the capital, Colombo, and ordered troops to shoot troublemakers on sight. In the North-West residents have accused soldiers of killing at least 83 unarmed civilians after a Tamil attack on an army convoy-

#### SA bishops accuse

Three South African Roman Catholic archbishops and a bishop accused South African police of indiscriminate shooting, violence and rape to quell riots in black town-ships in which about 170 people

### India may seek to speed claims as gas toll rises

BY K. K. SHARMA IN NEW DELHI AND TERRY DODSWORTH AND PAUL TAYLOR IN NEW YORK

THE DEATH toll in India's poison

gas tragedy rose to more than 2,000 yesterday amid expectations that the Indian authorities would seek a negotiated settlement of compensa-tion claims against Union Carbide, majority owner of the plant to avoid long drawn-out legal action. The growing dimensions of the tragedy were highlighted not only by the death toll – higher than any previous industrial disaster - but also by reports from doctors in the stricken town of Bhopal that thou-

partial paralysis. BLUEBELL, the U.S. Wrangler Doctors fear serious neurological jeans group, is to close its European operations with the loss of 900 jobs. The decision will affect manufacturcomplications as part of the aftereffects of inhaling the deadly me-thyl isocyanate gas that leaked into ing facilities in Belgium and sales the atmosphere in a 40-square-mile operations in France and the Netharea of Bhopal, They said the cases erlands. It plans to license the Wrangler brand name in Europe. of partial paralysis were similar to those caused by phosgene, a nerve DOLLAR lost ground in London, falling to DM 3.0625 (DM 3.0785), SwFr 2.5245 (SwFr 2.545), FFr 9.3825 (FFr 9.42) and Y248.55 gas.

York lawyer in product-liability cases, said yesterday that be thought negotiated compensation was the most likely outcome. Mr Speiser said he had rejected approaches from India asking him to

Head office team grapples with altermath of disaster, Page 3; The grim lessons of Bhopal, Page 16; Stock markets, Section III

### STERLING was weaker in London, falling 15 points against the dollar to \$1.2065. It was also lower at DM **Ministers block EEC** 3.69 (DM 3.72), SwFr 3.045 (SwFr 3.08), FFr 11.3 (FFr 11.39) and Y297.5 (298.25). The pound's exchange-rate index was unchanged anti-pollution proposals

### BY PAUL CHEESERIGHT IN BRUSSELS

tion emissions and acid rain.

THE EUROPEAN Commission's (\$1.8bn) in the UK - but there was unsettled. West Germany, which in-campaign against acid rain was no proven link between power sta- tends to introduce them unilaterally from 1962-89 by making the fitment

Ministers also had difficulty in of catalytic convertors to cars com Late yesterday evening, minissale of lead-free petrol in the EEC ters were trying to decide on the

**Continued on Page 18** 

**Plan for CDs** UK oil prices to hits French be linked to spot bond market market BY PAUL BETTS IN PARIS By lan Hargreaves and minic Lawson in London

D 8523 B

BRITAIN yesterday signalled its departure from a system of setting North Sea crude-oil prices through

represent families of possible long-term contracts in favour of a more flexible approach linked to The consensus among New York spot-market prices. Mr Ian Goskirk, chief executive lawyers was that successful foreign

of the British National Oil Corporaclaims against U.S. companies must involve products conceived, manution, told the Hause of Con Energy Committee that BNOC, hav-ing lost half its contract customers factured and marketed in the U.S. Lewyers say it would be difficult to establish Union Carbide's responerre Beregovoy, the Finance and in recent weeks, had to find a way Economy Minister, to allow trading of making its prices conform more in CDs next year. Trading in the bond market was delayed yesterday because of a surge of sell orders. In the general

with market realities. "Changes will have to be made. The company's woes mounted yesterday when its top executives There is very little doubt about that. vere refused access to the plant in But exactly what they will be and Bhopal. A member of a technical how they will emerge, I could not team that arrived in India yestersay," he said. He added, however, that two cruday, led hy Mr Warren Anderson,

chairman and chief executive, was cial changes in the system would be turned away by police. According to a Union Carbide spokesman, Mr Anderson himself was refused Indi-"contract period and the extent to 50bn (S5.3bn) yesterday compared which spot prices are taken into ac-count." At present, BNOC sets prices quarterly, but is under pres-sure to switch to shorter periods. to a daily trading average of be-tween FFr 2hn and FFr 3hn. an Government permission to visit

Union Carbide said yesterday that no reason for the Indian decipart of the day, bond prices fell by an average of around 2 per cent by It was clear from the oil market sion was given. Company officials said Mr Anderson flew to India to the end of the session as a result of yesterday, however, that BNOC had heavy intervention to stabilise the already started to dispose of very large quantities of oil for January and February delivery at spot market by the Caisse des Depots, begin wide-ranging talks with the the Government about the disaster and its implications in an attempt to im-

Traders said that BNOC had sold five to seven cargoes - 2.5m to 3m parrels of oil - at prices between \$27.50 to \$27.60 a barrel, well below the official price of \$28,65. That is seen in the market as recognition by BNOC that its quarterly contract pricing system has, in ef-fect, already been abandoned. BNOC's remaining contract custom-ers are understood to have told it that although they will not refuse January cargoes, they expect the price to be spot-related.

That is seen in the market as a further indication that BNOC's quarterly contract price system is crumbling, as the corporation is forced to sell more and more of its oil at spot, rather than contract prices. BNOC's remaining contract customers are understood to have the company's common stock. It inteods to complete the purtold it that although they will not chases over the next two years if the shares are available at prices it refuse January cargoes, they expect the price to be spot-related. BNOC officials were being questioned yesterday by the Commons committee about the £45m subsidy recently announced by the Government to cover the corporation's trading losses this year. The losses are a result of BNOC's buying oil at higher contract prices and having to sell it for less on the spot market.

FRENCH bond prices fell in heavy which traditionally acts as the gendarme of the market.

trading yesterday after the Govern-ment's decision to allow banks to is-Traders said that the Governsue certificates of deposit (CDs) for ment had made a mistake not to the first time. The decision to introduce CDs regive the market advance notice m its CD announcement. They also criticised the lack of precise techniflects the Government's efforts to modernise French financial and cal dctails on the new short term in money markets. The Government. struments. however, clearly miscalculated the In an effort to calm the markets markets' reaction to the announce-ment on Wednesday night hy M Pi-

the Finance Ministry last night said the introduction of CDs would be done in close consultation with the market to ensure their smooth and gradual integration into the financial system.

The introduction of CDs is designed to give large French enterconfusion of the market, traders prises an additional money-market were unable to give precise figures for the huge trading volume yester-day. They said volume soared to be-tween FFr 15bn (SI.6bn) and FFr they said volume soared to be-tween FFr 15bn (SI.6bn) and FFr CDs will help to integrate more the French financial market with the money market

The bourse was worried, how-After heavy losses in the early ever, that the new CDs would drain funds away from Treasury Bill mu-tual funds and the long bond mar-**Continued on Page 18** 

Stock markets, Section 111

### Chrysler aims to buy back shares

#### BY WILLIAM HALL IN NEW YORK

state financial institution.

CHRYSLER, the third largest U.S. Chrysler said yesterday that It car company, illustrated its rapid helieved its slock was undervalued return to financial health yesterday given its future prospects and opby announcing plans to spend as erating plans. The move would go much as \$700m on repurchasing up some way towards reducing the di-to a fifth of its sbares. The car maker, whose earnings pany's earlier financial restructur-

The car maker, whose earnings pany s cauted while it was have more than tripled to \$1,77bn in the first nine months of 1984, said yesterday that its board had ap proved the purchase of up to 25m of 57m shares in the last four years,

principally as contributions to its employee stock ownership pro-gramme and as a result of its 1983 recapitalisation plan. It feels it is now prudeot to reduce the number

at 74.7. Page 37 Balance of Payments Current Account 

checked yesterday when EEC environment ministers threw out proposals for much stricter emission deciding how they should imple-standards at large combustion ment the June decision to make the Late yesterday evening plants such as power stations.

Böhringer, the West German chemicals and pharmaceuticals manufacturer, says it might face costs "running into bundreds of ns of marks" for the clean-

np of its former plant near Ham-burg, shut down by a city tribunal for producing excessive re-sidual waste containing the le-

nal negligence case against Union Carhide after taking legal advice. Nevertheless, officials seem to bope that the U.S. company will agree to a negotiated settlement.

Mr Stuart Speiser, a leading New As a result, Union Carbide might face the prospect of huge damage and compensation claims as nearly and compo 25 per cent of Bhopal's 800,000 pop-ulation is thought to have inhaled

thal chemical dioxin. Page 20 the gas and be at risk from some sands of their patients may have been afflicted by paresis, a form of kind of disablement. The Madhya Pradesh state gov ernment was reported by the Press Trust of India to have filed a crimi-

have died this year:

### Unionist surrenders

An underground leader of Poland's banned Solidarity trade union, Eugeniusz Szumiejko, surrendered to police under the Governments political amnesty.

#### **UK snubs sea treaty**

Britain announced that it would not sign the 1982 United Nations Law of the Sea Convention but would not the Sea Convention Out would not oppose signature by the European Community. average 16.65 higher to 11,559.84. Community.

#### **Red Brigades jailed**

A Milan court sentenced 19 members of the Red Brigades guerrilla organisation to prison for life for murder and 80 others to terms of up to 30 years for other crimes.

#### **Iceland** bases

Iceland, a Nato member, plans to construct two new radar stations to counter a Soviet naval build-up in the Arctic.

#### Corsica peace march

Tens of thousands of people marched through the southern Corsican city of Ajaccio to protest at violence and extremism on the

#### Spain bus deaths

At least four people were killed when a bus plunged off a coastal road into the sea near the Spanish Basque town of Zumaya.

#### Medicine men meet

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Hundreds of natural healers from 35 countries began a four-day meet-ing in Madrid on ways of legitimising their centuries-old practices in the eyes of sceptical government bodies and the medical profession

10 1983 1984

(Y246.75). On Bank of England fig-

142.4. Page 37

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WALL STREET: By 3pm the Dow Jones industrial average was 0.66 down at 1,170.94. Section III

LONDON equities were dull al though gilts attracted some sup-port. The FT Ordinary index fell 8.5

Section III

GOLD fell 25 cents on the London bullion market to finish at \$330.50. It was also lower in Zurich at \$329.85. Page 36

KRAUSS MAFFEL, the West Ger man defence contractor, said its reputation was being damaged by speculation that its parent company, Friedrich Flick, was trying to sell it because of financial difficulties. Page 20

LAZARD FRERES, the investment bank, may take a 20 per cent stake in Mediobanca, the Milan-based merchant bank controlled by the

state-owned IRI group, in a share deal worth \$98m. Page 20. HITACHI, the Japanese electronics group, lifted its first half net earn-ings by 27 per cent to Y101bn (\$407.8m). Page 20.

ASEA, the large Swedish electrical engineering and electronics group, is under investigation by U.S. trade authorities for suspected circum-vention of American high-technology export restrictions. The farreaching investigation might lead to significant fines or even the denial of export licences for key electronic components needed for many Asea products.

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 - Wall Street
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IRWIN JACOBS, the Minneapolis investor, confirmed that he had purchased a 1.8m block of ITT shares. Wall Street Report, Page 27

#### is were the main plank in the Commission's anti-pollution programme. They were closely modelled on West German legis-lation, and provided for a 60 per

cent cut in sulphur dioxide emissions and a 43 per cent reduction in free and leaded petrol would be oxides of nitrogen and dust emis- available to motorists during the sions hy 1995, with the base as 1980. Brief discussion by ministers showed that Denmark, Greece, Ireland, Italy and the UK all had such

ment would be impossible.

Phillips wins court order to

restrain Pickens's share offer

BY WILLIAM HALL IN NEW YORK

day, moved into top gear yester-day, Phillips won a temporary re-straining order blocking Mr T. Boone Pickens's teader offer for at least 15m of Phillips' 153m shares and Mr Pickens disclosed plans to

dismiss the Phillips board. Phillips won the restraining order in an Oklahoma district court after arguing that Mr Pickens's ten-der offer would breach an agreement between Mesa Petroleum, Mr Pickens's master company, and General American Oil, which Phil-

According to the agreement, Me-sa was precluded for a five-year pe-riod starting on January 6 1983, speculated on the strengths and from buying any shares of Phillips weaknesses of the two sides. Phil-Petroleum. The court will bear Phil-lips, which bas retained Morgan is break-up value has been falling lips rescued from a Mesa takeover.

the petrol grade. which the They could not decide, however, decision. how to ensure that supplies of lead-

serious reservations that agree-

from 1969 and optional form of a declaration that would ac from 1985. They confirmed the cept the principle of stricter emis-dates and settled on 95 octane as sions and define the fashion in which they would move to a joint

France, Italy and the UK do not want to be tied to a timetable that transition period. The difficulty is would make the use of catalytic acute because of the West German convertors compulsory since they are seen as obsolescent, costly and inefficient in our line they are seen as obsolescent, costly and

petrol more rapidly than other inefficient in small cars. Community countries. The three countries The three countries are much The wider question of setting a more sympathetic than West Ger-The British Government this timetable for bringing EEC car ex- many to the Commissison sugges-week said the programme was not baust emission standards to the tion that U.S. and Japanese stanonly too costly - about £1.5bn U.S. and Japanese level remains dards should be achieved by 1995.

Mr Goskirk admitted that in July after consultations with the Gov

**Continued on Page 18** Saudis give petro pledge, Page 4 der.

shares, which at the depths of its find of outstanding commoo sbares, considers attractive. Chrysler nancial difficulties in 1981 had which currently total 124m. dropped to nearly 53, rose by \$1% to \$28% in beavy trading yesterday.

Chrysler, which came close to fil-Several big U.S. companies bave ing for bankruptry five years ago been taking advantage of the recent before being bailed out by the U.S. weakness on Wall Street to repur- Government, has improved its fichase their sbares. hase their sbares. nancial situation considerably over However, Chrysler's move is the last 12 months, at the end of

more than an opportunistic invest- September it had cash and marketment and is seen by Wall Street as able securities of \$1.6bn, compared a sure sign that the company's fi with \$550m a year ago. nancial affairs are once again in or-

Stock markets, Section II1



On January 1st, 1985 a new name goes up over the door of many bank buildings throughout

Chartered Bank formally ado pt the name of their parent group-Standard Chartered.

The new name over the door simply underlines the fact that Standard Chartered gives you immediate access to one of the largest integrated branch networks in the world-over 2,000 branches, in more than 60 countries.

dealing with Standard Chartered offers international customers some very tangible benefits-including faster and more efficient cash transmission, more

compensive currency dealing on a 24-hour-a-day basis, and a knowledge of world markets, contacts and opportunities based on nearly 130 years of specialisation in international trade.

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And if you already deal with Standard Chartered you'll know just what that assurance can mean, in helping you to do overseas business with fewet problems and higher profits.

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Africa, Asia and the Middle East. On that day, The Standard Bank and The

And it's intended to serve as a reminder that

cals 'entrepreneurship'... 12 BOC ...... 18

Editorial comment: World Fund management:

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Bhopal: learning the grim Singapore: red faces over

Technology: why compo- Lombard: charisma back in

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Management: Dow Chemi- Lex: Hanson Trust; Bass, 

Brazil: Tancredo set for Politics today: Sir Keith's victory ...... 4 victory ..... 17

érale.

lips's request for a temporary in-Stanley, the blue-chip investment as a result of lower oil prices. junction barring the proposed ten-hank, is regarded as vulnerable to a Analysis say that its bree corporate predator such as Mr value is around \$76 a sbare. der offer on next Friday. corporate Earlier yesterday in a filing with Pickans. the U.S. Securities and Exchange On the On the other hand, Wall Street

THE BATTLE for Phillips Petro-leun, the ninth biggest U.S. oil com-pany, moved into top gear yester-day. Phillips won a temporary re-ing board and elect four of its own step into the battle and take Phil-ter and the pany into the pany into the temporary re-ing board and elect four of its own step into the battle and take Philnominees. Mesa also said it lips away from Mr Pickens as was planned to make changes in the the case with his earlier targets company's bye-laws. Mesa also disclosed thet Texas General American Oil. such as Gulf, Cities Service and Commerce Bank and Mellon Bank Although Wall Street is not ruling out the appearance of a rival bidder were leading a group of banks pro-viding it with a \$1.1bn line of credit

for Phillips or a decision by Phillips to support its share hid. Aside from to initiate a friendly takeover of an-several U.S. banks, the syndicate other oil company, there are serious includes Bank of Scotland, Swiss doubts whether Mr Pickens and his Bank Corporation and Societe Geninvestor group could complete a \$9.3bn takeover of Phillips on their

Phillips shares rose another \$% to own account.

Stock markets, Section III

Analysts say that its break-up

محاليم المراجع المراجع التي المراجع ال المراجع المراجع

### **EUROPEAN NEWS**

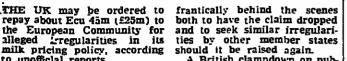
### Shopping UK may be ordered hours to repay EEC dairy subsidies

#### BY IVO DAWNAY IN BRUSSELS

No/KA

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alleged infractions committed feasible. in an earlier year. The complaint, which is also



repay about Ecu 4am (£25m) to the European Community for alleged Arregularities in its milk pricing policy, according to unofficial reports. The repayments are being sought by Sig Carlo Facini, the EEC's financial controller for the msrketing year 1980-81 and further claims are likely to be msde for subsequent years. On Wednesday, however, Commissioners discussing the for the finat decision to the next commission, taking office next

the finat decision to the new The substantial reduction in Commission, taking office next the financial controller's claim month. The issue first made inter-mational headlines earlier this ancial advantage the UK is year when the controller called sileged to bave gained through for Ecu 775m—a sum almost exactly equivalent to the UK's tem for milk. It also makes f475m budget repayment—for prosecution of the charge more allocated information and the for the substantial reduction in the financial controller's claim means that this time he has made an assessment of the financial advantage the UK is substantial reduction for Ecu 775m budget repayment—for prosecution of the charge more allocated informations committed for the substantial reduction in the substantial reduction in the financial controller's claim means that this time he has made an assessment of the financial advantage the UK is substantial reduction for the substantial reduction for the substantial reduction in means that this time he has made an assessment of the financial advantage the UK is substantial advantage the UK is substantial reduction for the substantial reduction for the substantial reduction in means that this time he has made an assessment of the financial advantage the UK is substantial advantage the UK is substa

in an earlier year. This was later ruled out due the subject of two Commission to legal technicalities, hut the and ooe Irish court cases. WK is understood to be much alleges that different rstes paid more vulnerable to the claim by the MMB for milk had the by the MMB for milk had the for subsequent dairy produc- effect of excluding imports from tion. Throughout the summer other member states against British diplomats have worked EEC rules.

### **Commission divides** up the portfolios

#### BY QUENTIN PEEL IN BRUSSELS

THE TRADITIONAL "night of the tong knives" in the Euro-clear he wanted to get back the pean Commission, when new development portfolio he beld members fight for the best jobs for eight years in the 1970s, on the eve of taking office, while M Delors argued that no should he transformed into two should he tran outside Paris. The two-day meeting at the

Abbaye de Royaumont has been convened by M Jacques Delors, the former French Finance Minister and President-elect of the new Commission, precisely in order to sort out the port-folois well in dance of taking office in January. The indications are that most of the negotiations have already been done. It is reliably reported that the key industrial and internal market portfolios will go to West German and British nominees; external rela-tions. will be split between Belgium and France; and Italy will get development. Agricui-ture will go to the Netherlands, while Denmark takes the eco-nomic portfolio. The likely line-up means that two of the areas closest to Mrs

European Community, Now it looks virtually certain Abbaye de Royaumont has been that Sig Lorenzo Natali, Italian convened by M Jacques Delors, Commissioner currently respon-

will take over the industry port-

goods.

row in Austria By Patrick Blum In Vienne

AN EXTRAORDINARY dispute issue — shunting aside the un-fortunate M Georges Lemoine, secretary of state for the over-seas territories, who failed to give the Government warning has brought the church, members of the Government, political parties and the trade unions at loggerhezds over shopping hours in Austria. of the explosion that has now In an unusual alliance, Herr

hit them. Television and newspaper coverage from New Caledonia is bruising to the Government because of pictures of half-clothed Melanesian separatusts bolding at bay French riot police while angry French settlers mouth their fury at the Covernment for their failure to hit them. Alfred Dallinger, the left-wing Socialist Minister for Social Services, has joined ranks with leading representatives of Austria's conservative Roman Catholic establishment and Church to oppose attempts by Dr. Norbert Steger, the liberal vice-Chancel-Government for their failure to lor and Trade Minister, and protect them. some provincial governments, in

Echoes of the Algerian war are never far away, if only be-cause some of the French settlers who left Algeria at the keep shops open all day tomor-row for pre-Christmas shopping. December 8 - the day celebrating the immaculate conception of Mary - is traditionally a national religious holiday and all shops are closed. This year it happens in fall on one of the four pre-Christmas Saturdaus when shore time of independence settled in time of independence settled in New Caledonia. One was quoted yesterday by the AFP corres-pondent covering Wednesday's murder of eight Melanesians — including three of the brothers Christmas Saturdays when shops are allowed in open all day in-stead of closing at 12 noon sharp

as is otherwise required by law. Herr Dallinger and the Church insist that shops must be closed all day. Dr Steger wants more flexibili-

by low traders and a liberalisation of the rules which strictly control opening times on Saturdays and in the evenings. The left and trade union wing of the Socialist Party are deaply concrete to now Party are deeply opposed to any changes in the rules and on this occasion they have been joined Dutch set deadline on cruise decision FINANCIAL TIMES REPORTER

by the Church. me provincial governments THE NETHERLANDS will decide and local traders would like the whether to deploy its share of U.S. cruise missiles depending on the number of Soviet SS-20 missiles opshops in stay open for one simple reason: they do not want to lose a day's trading and see large nnm-bers of shoppers going over the border from Carinthia in Italy or erabonal on November 1 1985, Mr Job de Ruiter, Dutch Defence Minister, said, in Brussels. from Salzburg to West Germany

to do their Christmas shopping. Dr Wilfriet Haslauer, a member of the conservative People's Party and Governor of Salzburg, still resists Herr Dallinger's order that shops must be kept closed.

### Student demos

### fear in Poland By Christopher Bobinski in Warsaw

THE POLISH Government's failure to accept a new rector elected by students and staff at Warsaw University this week, combined with general moves to reduce

### Paris grapples with New Caledonia imbroglio

NEW CALEDONIA is now be-coming a political test for the French Socialist Givernment in much the same way as the Falk-lands was for Mrs Thatcher in Britain. Reflecting the high stakes in-

Britain. Reflecting the high stakes in-volved, M Laurent Fabius, the after the November 15 elec-Prime Minister, vesterday took over direct responsibility for the

stars had first set fire to a have been under detention. The white homestead. separatist FLNKS bad de-in spite of the tension and manded their release as a prethe killing of three of his brothers, M Tjibaou called on his followers yesterday to lift the roadblocks that they have placed throughout the territory squad was preparing to reassert the Government's authority by

after the November 15 elec-tions. Separatists and the locat gen-darmeries gave conflicting separatists claiming that a group of Melaneijans bad fallen-into an ambush, while the gen-darmerie said that the Melane-the separatists who in the the set of 17 separatists who darmeries said that the Melane-

### Row erupts over electronics aid

#### BY PAUL BETTS IN PARIS

CONTROLENSE has broken ou: over the French Socialist Government's electronics pro-gramme following the publica-tion of a report by the leading French Right-wing opposition party, the RPR, describing it as one of the Government's biggest setbacks.

including three of the brothers of the separatist lcader M Jean-Msrie Tjibaou — at Hienghiene in the north of the island. He said : "We will hold on whatever the cost. I have thrown my lot in with New Caledonia. I have a house here and I sweated to get it. I am now above all asbamed of being a former soldier. I don't fear reprisals (after Hieoghiene), I

Cresson acknowledged that the industry had not achieved the CONTROVERSY has broken ou; electronics industries acted as M Noir slso criticised a recent agreement between the French nationalised Thomson group and IBM in the semicon-ductor sector and the deciston to block the sale of Thomson's medical contractor to block the sale of thomson's employment targets originally hoped for by the Government. However, she claumed there had not been a decline in the overall employment.

medical equipment subsidiary CGR to a subsidiary of Johnson both the French telecommunications and electronics industries have ted to tensions with

Mme Edith Cresson, the Industry and Foreign Trade Minister, yesterday calted the Noir, an RPR deputy, "an intolerable manipulation of the facis." CGR to a subsidiary of Johnson and Johnson of the U.S. Mme Cresson argued yester-day that the sector was finally bucking its declining trend. From FFr 3.2bn (£280m) in 197E, losses by the French electronics industry sufficient financial aid and that its stra-tegic decisions including the re-structuring of the telephone the trade unions because of redundancies. The sector has been hit by the overall decline in large

French export contracts which fell by 40 per cent between 1982 and 1983 and again hy another 40 per cent between 1983 and 1984, according to Ladarate Ministra officials Industry Ministry officials. Mme Crosson described the RPR report as "a blow below the helt sgainst a vital sector of the economy.

January 5 as a basis for dis-cussion, and submit his recom-mendations to Paria on February 2—exactly two months after his arrivat on the Island. separatist FLNKS bad de-manded their release as a pre-lude to raising the road blocks. M Pisani has left no doubt that the French anti-terrorist

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The problem is that the indigencous Melanesians are now in a minority among the 133,000 population because of successive waves of immigration by French and other acitlers, But they have long seen in the French Socialist Government in hope of achieving an Independence that will give them n dominant voice in the adminiatration.

They foor that unless they obtain this before the French legislative elections, nf 1986, the right will be returned to power in France and their opportunity

The European population likewise belayers that if they can hold of independence until 1936, then a new right-wing administration would postpone independence indefinitely after tbat.

The future of New Caledonia is thus intimately tied up with the unfolding domestic political struggle in France. The pro-posals that N. Pisani makes will need not only the ocquiesence of the various groups in the territory. They also will need the endorsement of the opposi-tion in France. His trump card is that he was a Guallist who turned Socialist.

But at the moment it looks as though the Opposition in-tends a bed of thorns for the Government in New Caledonia rather than to help it with its problems.

### portionate to such a pact.

The Dutch would not deploy any of their Nato-assigned missiles if the Soviets station no more than 378 SS-20 missiles by the deadline. An American spokesman noted preparations should have begun at a recent meeting of Nato's spe- last June

cial consultative group that the The earliest that missiles could member of SS-20s can vary "from now be sited at the Woensdrecht air day to day," because the bases used base in the south-west of the coun-for the launching of SS-20 missiles try would be the end of 1987, a forcan also be used for SS-25 intercon- eign ministry spokesman said. He tinental ballistic missiles. The added that administrative prepara-Dutch Cabinet's decision applies on- tions on property transfer and en-ly the quantity of SS-20 missiles vironmental regulations were going and ignores the number of bases on but no construction had begun.

### Warsaw Pact warns Nato over conventional forces BY PATRICK BLUM IN VIENNA

PARLIAMENTARIANS of the Io contrast the U.S., West Western European Union favour of continuing American (WEU) yesterday called for a deployment. The WEU resolu-counter-measures to balance out Western officials were puzzled

Karch, Nato spokesman said.

grey cloth and fahrics at Bad. Sackingen on the Dutch horder. At the height of the depression

in 1982, Brennet invested a re-cord DM 9.1m (£2.53m), balf

as much again as in 1980 and

more than twice as much aa

to a record DM 180.3m (£50m) fast year and in that time we hardly had to lay off a worker." Even in huoyant West Ger-

Gatt (the General Agreement on Tariffs and Trade) but we cannot continue with protec-

arms negotiation.

confirms and the target zones. rejection of **Camp David** 

Difficulties in restructuring

By Richard Johns

Hussein

UNG HUSSEIN of Jordan yesterday confirmed Jardan's re-jection of the Camp David accords acreed between Egypt and Israel in 1978 as a framework for any resolu-tion to the Palestinian prob-

Addressing the Royal United Services Institute for Defence studies in London yesterday he made it clear that his country's attitude to the U.S.-sponsored formula has not been affected in any way by Jordan's fullsome reconcilia-tion with Egypt.

King Hussein dismissed Presi-dent Reagan's peace plan as "moribund" and instead repeated his call for an inter-national conference bringing together all the parties to the conflict and the five per-We do not know what caused manent members of the UN Security Council. and Western countries, about the fortbcoming talks between King Hussein made no comment about the inconclusive out-come of the Palesine National Council which ended in Amman last week. Secretary Shultz and Foreign Minister Gromyko," Mr John The Sovlet statement singled But he stressed that "conout West Germany, arguing that the "obstructionist" policies of the Federal Republic were a constant block to progress in structive discussions" with the PLO were taking place on "the basic requirements for peacemaking including the establishment of a confederal union between Jor-dan, the West Bank and the Gaza Strip."

SS-20 missiles in Eastern Europe, The U.S. claim increases the chance that the Netherlands will statioo cruise and Pershing 2 missiles, but the ultimate decisioo still depends oo the November 1 dead-

Soviet missiles that have been de-If by that date the Soviets have ployed but are temporarily oot on their base on November 1 next year will also be counted, Mr de Ruiter said. He was the first Dutch Government spokesman to comment on

viet Unioo and the U.S. bave agreed on a nuclear arms control pact by November 1 1985, the Dutch would

deployed more than 318 SS-20 missiles, the number present last June 1, the Dutch will deploy 48 nuclear missiles as agreed in 1979. If the So-

the report by the U.S. Defence Secretary, Mr Caspar Weinberger, that the Soviet Union has stationed 387 deploy the number of missiles pro-

WEU calls for freeze on

N-missile deployment

BY DAVID HOUSEGO IN PARIS

two of the areas closest to Mrs Thatcher's beart: pushing ahead follo from Viscount Davignon, with development of a genuine while Britain's Lord Cockfield Common Market in goods and will run an enlarged internal services, and simultaneously, market portfolio, taking in agreelag on a common transport services and taxation as well as policy. The division of the industrial

area between Britain and West emerge from the talks would Germany, means that these port-leave Mr Henning Chirstopher-fclios will be left entirely with sen, former Danish Finance those who are essentially free Minister, with economic and marketeers, as opposed to the monetary affairs, while Mr more interventionist tradition. Frans Andriessen of the Nether-of France, and indeed of lands, currently commissioner Viscount Etienne Davignon the for competition, is confidently sioner. Commis- predicted to get sgriculture. Although the final allocation

The toughest job for M Detors of jobs has yet to be settled, has been to sccommodate bia Mr Stanley Clinton Dsvies, has been to sccommodate bia Mr Stanley Clinton Dsvies, former colleague M Claude Britain's second nominee, is Cheysson, the French Foreign expected to get transport and Minister who was finally con-firmed as the second French Peter Sutherland of Ireland nominee by President gets competition. Mr Grigoris Mitterrand at this week's Dublin summit.

university eutonomy, might lead to student demonstrations at the country's largest university, according to administrative officials there. The Minister of Higher Educa-The line-up expected to

tion has two weeks in which to veto the choice of Professor Grzegorz Białkowski, a physicist overwhelmingly elected rector last Monday. On Wednesday, the Senate al Warsaw University also passed a resolution arguing that changes in the higher edocation law in-troduced in 1982 - which granted

the universities e significant degree of autonomy - were prema-The same officials believe that

government acceptance of Pro-fessor Białkowski would mean that student response to changes in the law would be more muted.

aide the rise was 2.1 per cent, bringing a welcome glow to one

of the largest textile industries

countries.

temporary freeze by both the tion is thus likely to be em-U.S. and Russia on the deploy- barrassing to them in that the U.S. and Russia on the deploy-Russians have also said that they would like a freeze. ment of intermediate and shortrange nuclear misslles in Recognising the dellcate ice

Europe. Recognising the dencate ice on which they are treading, the recommendation by the WEU Assembly is thus cautiously worded. It calls for a "pos-sible, mutual, temporary freeze" on the further deploy-The move reflects the reluctance by some European governments and a wide spectrum of European public opinion to continue with deployment at a time when arms control negotiations are likely to ment of intermediate weapons resume between the U.S. and the Soviet Union. Mr Andrei and of short-range missiles-such as the Soviet SS21 and Gromyko, the Soviet Foregn SS22 Minister and Mr George Shultz, the US Secretary of State are The move comes at a time when the WEU is taking on fresh life as a forum for defining

due to have preliminary meetings in early Jsmuary. The governments of Italy, Belthe Atlantic Alliance an defence

The textile industry in the

European Community has overcome tis prohlems ao well

that no more government sub-

sidies are justified, Mr Frans

Andrtessen, the EEC com-missioner responsible for competition policy, said yes-terday, John Davies reports

from Frankfurt.

Portugal.

guin and Holland would all and strategic issues. prefer a freeze because of the In the U.S. view, any freeze divisions within their adminis-trations over the issue or the be part of an overall package with the Buscience on a part of an overall package with the Russiana on arms conpressure of public opinion. Germany and Britain are in tral.

Nato's decision, announced in by the sudden change on tone. Brussels this week, to strengthen the Western Alliance's this reversion to diatribe especi-ally in view of positive stateconventional forces. ments made in both the Eastern

In an unusual and highly polemical counter-statement to the Nato countries' press briefing after yesterday's session at the talks on reducing conventional forces in Europe (MBFR), Mr Michail Kokeyev, the Soviet apokesman, said: "If there is a continuation in the arms build-up of conventional forces on the part of Nato then we cannot remain disinterested."

remain disinterested." "West Germany rejects re-ducing forces, together with ment stunned Nato officials in armaments and combat equip-the light of recent more moder-ment. No doubt this position is a European viewpoint within ate statements made by the definitely connected with the Warsaw Pact, on the future of rearmament plans of the Bun-deswehr and a further build up those in Geneva, next month between U.S. Secretary of State, many and of Nato as a whole," Mr George Shultz, and Mr Mr Kokevev said. definitely connected with the rearmament plans of the Bun-

Members of his entourage, meanwhile, were at pains to dismiss any idea that he might meet with Mr Yitzak Rabin, the Israeli Defence Minister, who is also in London on an essentially private visit at the invitation of the Joint Israeli Appeal.

Mr Michael Appeal. Mr Michael Heseltine, De-fence Secretary and Sir Geoffrey Howe, Foreign Sec-retary. King Hussein is ex-pected to see Mrs Margaret Thatcher—as he has done on private visits to the UK three times this year. times this year. was assumed that Mr Rabin

expressed Israel's objections to the European summit conference's call for the PLO to four years earlier. "The result." according to Herr Dieter Baumann, "waa that turnover rose consistently be associated with Middle East peace negotiation

Mr Shimon Peres, Israell Prime Minister, had lunch yesterday with President Mitterrand on with President mitterrand on the second day of his official visit to France. The French leader was expected to brief Mr Peres ou his recent talks with President Hafez Assad

many, though, there are fears and doubts about the future. The most alguificant is that the with President Hafez Assad of Syria. Tony Weiker reports from Cairo: Dr Esmat Abdel Meguid, Egypt's Forcign Minister, yesterday gave un-expectedly warm endorse-ment to the efforts of Mr Peres, the Israell Prime Minister, to improve the cti-mate for peace in the Middle East. East

East Dr Meguid said there were cn-couracing signs from the Israelis. "We think Mr Percs is tryipg to move the peace process." he said. But he wos sharpty critical at a Calro press conference of Mr Yitzhak Shamir, the Deputy Prime Minister of Israel and Foreign Bilniater, who said this week that Jordan and Egypt were faced with a clear choice between pursuing choice between pursuing peace and allying themselves to the PLO.

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### Exports lead growth in W. German textiles

#### BY PAUL CHEESERIGHT IN BRUSSELS

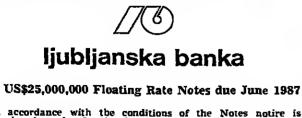
to rise 8% this year

**Output** of steel expected

EUROPEAN Community steel production by the end of this year will be 8 per cent bigher than in 1983, the Commission has calculated in its latest analysis of the market.

Output for 1984 is put at 119m tonnes, compared with 109.5m tonnes in 1983. The increased tonnage shows how the steel industry has responded to the greater stability of the EEC economy, which this year will grow at a real rate of 2.5 per cent, slightly higher than first estimated.

But steel production in the first quarter of 1984 is expected to slow slightly compared with the last quarter of this year, with likely output calculated st 28.5m tonnes against just over 29m tonnes.



tn accordance with the conditions of the Notes notire is hereby given that for the six-month period 7th December 1984 to 7th June 1985 (182 days) the Notes with curry an interest rate of 101% p.a.

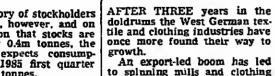
Retevant interest payments will be as follows.

Notes of \$5,000 U.S.\$265.42

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The inventory of stockholders remains high, however, and on the assumption that stocks are run down by 0.4m tonnes, the Commission expects consumpgrowth. tion in the 1985 first quarter

to be 25.4m tonnes. The improvement in the state of the industry, implied by these figures, has been taking place against a back-ground of a reorganisstion and abutting down of production capacity.



factories in the main production centres — Westpbalia, Baden Wurtenberg and northern Bavaria working at full steam. Output in the textile sector went up 4.5 per cent by volume between January snd August this year while on the clothing

The Commission noted that in the first 10 months of this In the hist 10 months of this year the workforce in the EEC industry had shrunk by 29,300, or 1.000 more jobs than in the same period of 1953. Over the last year over two-thirds of the job losses have been in Italy.

in the world. The only slight worry now is that so much of the recovery has come from overseas arders.

'Orders from abroad are very much bigher than from within European industry, West Ger-man textiles have been badly Germany," according to Dr Konrad Neundorfer, managing director of Gessmttextil, the hit by the recession. director of Gessmittextil, the German textile confederation. "The market is pretty stag-nant here in Germany, with orders up by 5.8 per cent this year. But from abroad they have shot up by 20 per cent." West Germany has always had a strong export trade with The number employed in textiles dropped last year to 241.489, the 13th successive year it had frien. Unemployment reached 10.2 per cent and a further g per cent were on short time. In clothing the numbers west Germany has always had a strong export trade, with three-quarters of its textiles and clothing going to other Euro-pean countries. Last year the industry sold DM 19.8bn (f5.5bn) outside the country, of which just over half went to other European Community countries. also fell, to 193,942. Numbers bave continued to drop this year but at a much drop this year but at a much slower rate and the industry has taken encouragement from the fact that the hours worked in July were up on a year earlier. As exports have risen so have imports, but unlike most other countries—such as the U.S. which has made strong efforts to restrain the inflow of goods this year—Germany has wel-comed them. Imports have flooded in rising The Germans are slightly concerned at this heavy emphasis on Europe and have been mak-ing efforts to diversify, esnecially to the Far East. The recovery is welcome

esnecially to the Far East. comed them. favourable." analged to ride the recession or 1994, then I believe we could favourable." analged to ride the recession or 1994, then I believe we could because, like the rest of the by 17.t per cent to the end of to have gone through the recession is Brennet, a manufacturer of tionism altogether."

facturers, which have been among the sharpest critics of national textile subsidies. Herr Ernst-Gnenter Platte

BY ANTHONY MORETON

the president of Gesamtiextil, West German textile industry association, called on the EEC Commission to reject current UK and French proposals for textile aid.

textile aid. Mr Andriessen replied that the UK and French proposals were still being examined but there appeared to be little ground for approval. He said the Brussels Commission hacked bis view that from the beginning of next year state aid for textiles in EEC coun-tries was no longer justified on economic nr social grounds. He said this "dsclplined" approach to textile subsidies must also apply to new EEC members, such as Spain and Partment Mr Andriessen, a Dutch member of the EEC Commis-sion, was speaking in Frankfurt at the annual meeting nf West German textile mann-

importer.

New members would have to ablde by strict rules on subsidies from the moment they joined, he said, so that an opening of the EEC to the south did not give rise in "tronghs" of sobsidies from which others would also try to feed.

The textile industry, after struggling for years with structural change, was going ahead in almost all EEC countries with production and contries with proving, Mr Andriessen said, The indus-try, offen wrongly pro-nounced as dead, had greatly increased its international competitiveness, he added.

The moat alguificant is that the Industry will not be able to re-cover its position in the manu-facturing sector, which has slipped throughout the reces-aion. Turnover of manufactur-ing industries has increased re-gularly through the 1980s whereas that of the textile in-dustry has marked time. Thero is also concern that the Mutti-Fibre Arrangement, the world agreement which re-gulates more than three-quart. sion without noticing it, such is their strength. "What reces-sion?" asked Herr Werner

"The man-made fibres nusl-ness has continued to show a positive development this year," he said in his Frankfurt office "During the first nine months our sales amounted to DM 1.79bn (£497m), a rise of 15 per cont. We consider the pros-

August, and Dr Neundorfer sounded slightly crestfallen when he admitted that West

Gesamtextil's optimistic view of textile's future was echoed by Herr Justus Mische, market-ing director of Hoechsi, one of the most important fibre pro-ducers in the world.

Indicative of its strength is that sales abroad are likely to go tionist policies for ever. If we up by a staggering 32 per ceni. could get a long extension of Another concern which has the present MFA, say until 1993 managed to ride the recession or 1994, then I believe we could

pects for the rest of 1984 10 bc

Germany had lost its place (to Lohman, sales director of Textil-the U.S.) in 1982, the last year gruppe Hof, producer of jeans for which figures are available, and sportswear in Hof, s Bav-as the world's leading arian town near the horders of Fort Commerce and Combenetable the world agreement which re-gulates more than three-quart-ers of trade in textites and clothing, could come to an abrupt end in the middle of 1886, throwing the business into chaos and confusion. "We world agreement which re-gulates more than three-quart-ers of trade in textites and clothing, could come to an abrupt end in the middle of 1986, throwing the business into chaos and confusion. "We would like to see the MFA extended after it expires," bigting competitive. Our problem is too little capacity." The 3.400-strong Textil-gruppe Hof expects sales to rise thts year by some 15 per Indicative of its strength la that

### **OVERSEAS NEWS**

### Share prices hit by fears over insurance liability

BY TERRY DODSWORTH AND PAUL TAYLOR IN NEW YORK

BHOPAL GAS TRAGEDY

THE SHARP fall in Union Carbide's share price by \$51 to \$39 in the first few hours of trading yesterday underlined deep un-certainty in the U.S. about possible liability claims on the company over tha Indian gas company over the antenan gas disaster and the extent of its insurance cover. Since the The degree to which the U.S. accident early Tuesday the parent company is liable for an company's market capitalisation accident which happened in has fallen by \$740m to \$2.7bn.

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In a worst-case scenario, some U.S. lawyers specialising in corporate liability issues were comparing the Bhopal disaster to the kind of prohlems Man-ville faced over massiva asbestos exposure-related claims. These cases eventually forced Manville to file for Chapter II bankruptcy code protection. However, several lawyers who have represented both plaintiffs marketed in the U.S. Manville is to file for Chapter II bankruptcy

and defendants in similar cases a classic case of a company in seriously doubt that Manville-type charges could be made to asy it would be difficult to stick against Union Carbide in establish Union Carbide's responsibility on these grounds

Mr Stuart Speiser, one of the leading prosecution lawyers in tence on local control and a sub-product liability cases, said stantial minority shareholding yesterday that he had turned in Indian subsidiaries of major down approaches from India multi-national companies may yesterday that is from India down approaches from India asking him to represent families work against it in case of possible claimants. In his wiew, the most likely outcome will be a deal between the com-be claimed against Union Carbide? The hig financial danger for the risk

The main issues over which there are considerable arguments in the U.S. are:

BY OUR NEW YORK STAFF

ONE OF the main problems

Union Carbide has faced in res-ponding to the Bhopal disaster

has been an enormous informa-

the Press knew more abont what was going on than corporate headquarters.

tion gap. The company has man consistently complained that ate.



accident which happened in India.

viability. However, Mr Speiser said yesterday that in his view the only location where Union Carbide could be sued in the U.S. would be in the State of Connecticut, where the company is headquartered. Yat Con-necticut, like many but not all states in the U.S., does not allow punitive damages in cases of "wrongful death." Thus on this score the main potential problem for the company would be law suits in India, where the Although some lawyers have Although some lawyers have argued that Indian families could bring charges in the U.S. courts, the consensus seems to be that it would almost cer-tainly not help them to do so. Cases where foreigners have had success in the U.S. courts arguingt American commanies law suits in India, where the claims would normally be re-lated in the earning power of tha individuals concerned. To what extent the company is covered for various damages claims

viability.

Union Carbide has said little on the issue. However It is understood that one of four Indian Government-owned companies carries the primary insurance risk This primary coverage has

been widely laid off in the world reinsurance market and is thought to total at least \$200m (£166.6m) and could be as high as \$500m. Amone the insurance companies believed to be involved in this international

coverage are Royal Insurance of the UK, American Inter-naional Group of the U.S. and Cigna of the U.S., which con-

the company lies in the risk firmed yesterday that it had a "very small" exposure to claims for losses of over \$175m. for punitive damages. This tends to be the area where large-scale Feature, Page 17

S. Africa announces public sector pay freeze

### By Anthony Robinson in Johannesburg

THE SOUTH African Governclaims not covered by insurance ment has appounced a freeze impinge upon corporation's on public sector salary in-creases next year and a radi-cal change in the income tax structure which hits at fringe benefits but raises the threshold for surtax payment. Mr F. W. de Klerk, the Minister of Home Affairs, said the freeze on public sec-tor salaries would he accompanied by a productivity drive by emphasising managerial expertise and re-training programmes.

The central Government's wage and salaries hill rose by 30 per cent between the first quarter of 1983 and the first quarter of 1984.

Mr Berend dn Plessis, Minister of Finance, announced a series of tax changes which will require a temporary 5 per cent income tax surcharge from March 1 to "nt least the end of June 1985" on taxable incomes above R10,000 (£4,500).

The surcharge will be required to offset the tempor-ary loss of revenue expected ary 1058 of revenue expected from a shift in the entire income tax curve, which will raise tax thresholds for lower paid workers while raising the threshold for supertax from R40,000 to R60,000 enumeRe. annually.

The rise in the 50 per cent supertax threshold is designed to compensate for the effect of a drastle scaling down of tax concessions on fringe benefits, especially housing subsidies and company cars. The measures are designed to bring in R720m in a full year. But the net effect on tax revenue is expected to be neutral given the lower in-

### U.S. warns Pakistan on enriching uranium

#### BY SIMON HENDERSON

THE U.S. believes that Pakistan has daveloped the ability to en-rich uranium and has warned President Zia ul-Hag that this could jeopardise the \$3.2bn (£2.6bn) military and economic aid programme started in 1981 after the Soviet invasion of neighbouring Afghanistan.

The warning was contained in a letter sent by President Reagan to President Zia In September, the existence and contents of which were not pub-licised. It emerged in Octoher that the letter referred to in atomic bombs. Enrichment of 5 per cent is useful for certain types of atomic reactor but hombs usually need 90 per cent coriched material. Washington's continued con-cern about Pakistan's nuclear development programme which is widely believed to be for the

purpose of building an atomic bomb. U.S. officials say the letter warned Zia oot to process uran-ium at the controversial Kahuta plant outside Islamabad beyond 5 per cent enrichment. Natural uranium contains 0.7 per cent of the fissile isotope uranium 235 which can be used and not asking another country letter was handed over to Presi-to test a device on Pakistan's dent Reagan on November 16

townships.

spokesman recently said: "We are aware of an investigation FOLLOWING persistent reports that China may have report by the Caruegie Endowment for International provided Pakistan with information that could be used to Peace and the statement that devetop nuclear weapons, China played n major role in allowing non-nuclear coun-tries to possess nuclear technology. The report of that organisation is entirely groundless." Peking has again denied as "entirely groundless" allegations that it is spreading nuclear technology, reports Reuter. A Foreign Ministry

behalf (China has been thought to be willing to do this). The U.S. warning appears to confirm the claim made in Feb-ruary by Dr A. Q. Khan, Pakistan's top nuclear scientist, that the couotry could enrich uranium. Western infelligence The officials term the latest warning as a new "marker" which Pakistan must respect if the aid programme is not to be affected. Other markers pre-viously communicated to Pakisofficials had previously helleved that the Kahuta plant was beset that Pakistan would respect the by technical problems and still new marker. Pakistan's stated believe that Pakistan will have position is that it may wants to tan include nnt testing a bomb, not reprocessing plutonium (another posible homb mate-rial), not assembling a bomb, difficulties making its own highly enriched uronium.

by Mr Yaquh Ali Khan, the Pakistani foreign minister, during an hour-long meeting at the White House. Vice-President George Bush and Mr George Shultz, the secretary of state. also attended. The Pakistan envoy had a further meeting with Mr Shultz and also saw Mr Caspar Weinberger, the secretary of defence.

The meetings mostly con cerned Soviet pressure on Paki-stan from Afghanistan. Facing up to the Soviet Union in the region is widely perceived in Washington as being more important than policies on nuclear non-proliferation, although the latter is still a source of concern.

Zla's letter cave assurance: enrich uranium for its civil nuclear power programme at-President Zia's reply to the though it does not have any letter was handed over to Presi- power reactors which use cnriched uranium.

### SA bishops attack police conduct

#### BY OUR JOHANNESBURG CORRESPONDENT

SOUTH AFRICA's Catholic or had to act in self defence in aways last month achieved bishops have accused the police some instances hut added; "That greatest support in areas where of acting "like an occupying cannot justify unwarranted or police activity had heen the illegal conduct on the part of strongest. army controlling enemy ter

for the civillan population and, it appears, without regard for the law " during the recent upsurge of violence in the black " may run The report estimates more than 150 deaths over the tast three months while tha injured may run into thousands." " Instead of being accepted as

In a report presented in Preprotectors of the people the police are now regarded hy many people in the black towntoria yesterday by Archbishop Denis Hurley, president of the Denis Hurley, president of the sbips as disturbers of the peace Catholic Bishop Conference, the church quoted sworn affidavits church quoted sworn affidavits crime," the 38-page report indicating cases of gratuitous violence, rape, theft, indiscrimi-nate shooting, beating and tear It warned that " the legacy

Louis le Grange, the Mioister for Law and Order last week, hut he was "too husy" to re-ceive It. Police declined to comdiate enquiry into police that this wanton violence had read it. conduct and appropriate engenders serves only to post-disciplinary action. the regary ment on the report until they only 19 per cent in mid-1984, while just over 20 per cent say they expect profit margins to improve in 1985. Exports are up, while just over of companies of the server of the se ment of the issues dividing our prominent township politician with 39 per cent of companies country."

country." who had led efforts to oust It noted that the work stay. present mayor of Soweto,

**Business** upturn for Zimbabwe

### By Tony Hawkins in Harare

ZIMBABWEAN industrialists are more optimistic now than strongest. The evidence in the report comes from sworn affidavits made hy individuals hefore a commissioner of oaths in an attempt to avoid prosecution under the law which prohibits the publication of unproven

attempt to any which pronions the publication of unproven accusations against the potice. The hishops tried to present a copy of the report to Mr Yourie la Grange, the Mioister The function of the report to Mr Yourie la Grange, the Mioister Thirty-five per cent of respondents say they are operating at target capacity as against

the second half

**Development Areas** 

ta take effect from 29.11.84

as defined by The Department of Trade and Industry

#### The report noted that there were cases of moh violence and come tax threshalds at all levels. that the police were provoked promises made and later with- Promised medical help and drawn to throw open the doors assistance to disaster victims of the company's nearly identi-cal West Virginia plant which and offered to make any findings from the company investimanufactures methyl isocyangation into the incident freely available to competitors. However, by European standards tha company appears to have been unusually open, pos-· Notified the U.S. environmental Protection Agency and shily drawing on the exper-ience of Johnson and Johnson, the U.S. drugs group, in the poisoned Tylenol case. J. and J. drew plandits for its np-front all state and local environmen-

In an apparent attempt to overcome the lack of communi-cations with tha Indian-run plant, Mr Warren Anderson, the company's 63-year-old chairman and chief executive, bas taken treatment of the 1982 tragedy. the hull hy the horns and flown out to the disaster area with a For example, Union Carbide has been holding daily Press conferences headed by a senior small team of technical experts to deal personally with what must be the biggest crisis of his executive who is both a lawyer. and an engineer.

professional career:

tal health departments of Its actions.

In the immediate wake of the disaster, however, these actions have done little to defuse a wave of public anxiety caused by the incident which is now being reflected in Congress.

Tolessional career: Mr Anderson, a Union Car-Mr Anderson, a Union Car-Mr Anderson, a Union Car-Mr Anderson, a Union Car-pany has taken in the 72 hours Among other actions the com-pany has taken in the 72 hours Among other actions the com-pany has taken in the 72 hours Among other actions the com-pany has taken in the 72 hours Among other actions the com-pany has taken in the 72 hours Among other actions the com-pany has taken in the 72 hours Among other actions the com-pany has taken in the 72 hours Among other actions the com-pany has taken in the 72 hours

HQ faces up to crisis of disaster

### Development areas: nowhere else comes 25

bide veteran of 39 years who has been responsible for a wide-ranging restructuring of the chemicals group since he be-came chairman in 1981, is clearly 'hoping to defuse-criticism and shore-up the com-pany's battered image. There have been some attacks on the company in the U.S. Pany has taken in the 72 hours since the disaster struck are: • An immediate closure of its west Virginia plant, suspension of all shipment and processing of the chemical world wide and the run-down of existing supplies of methyl isocyanate Press, particularly over Beziers, France, based of all shipment and processing on the company in the U.S.

### Police refuse U.S. chief entry to plant

INDIAN POLICE yesterday seized all factory records and refused to allow a U.S. executive access to the Union Carbide pestieldes plant at the centre of the world's worst industrial disaster, reports our Foreign Staff.

Mr Warren Woomer, who was manager of the plant until two years ago, said police gave no reason for refusing him entry. He said the plant operated to the same safety standards as a similar plant in the U.S.

"The process is the same, the chemistry is the same, but the scale is different. The West Virginiz plant is

Shoot on sight curfew

imposed on Colombo

larger," he said. Mr Woomer arvived in India yesterday as part of a six-man team from the U.S. parent company headed by Mr Warren Anderson Union Carbide chairman. Mr Anderson did not travel with others in his team to Bhopal but remained in Bombay. Meanwhile, worldwide

Bombay. Meanwhile, worldwide reaction to the disaster included the fixing of a Con-gressional investigation in Washington nxet week into the safety of the similar Union Carbide plan in West Virginia Virginia.

said it used a different pro-duction procedure and took strict safety precantious. A hearing hy the House

sub-committee on health and the environment will be held in Charleston, not far from

in Charleston, not far from the factory. In West Germany a petrol bomb exploded in front of a Union Carbide plant in Milstedt. Police said no damage was caused. Bayer, the West German chemical group which pro-duces methyl isocyanate at a works porth of Cologne and works north of Cologne and at Antwerp in Belgium, ruled out any possibility of an accident similar to tha

Bhopal disaster. The company

### NZ holds down wage deals in first round

THE Sri Lankan Government are believed to be from the Colombo district. Mr Lalith Athulathundali National Security Minister said yesterday he believed the guer-rillas had killed the hostages even hefore issuing a ransom

in Mannar.

THE Sri Lankan Government yesterday imposed a night curfaw on tha capital of Colombo and ordered troops to shoot troublemakers on sight, Reuter reports from Colombo. A spokesman aaid the curfew was a precautionary measure to prevent a backlash by the city's majority Sinhalese against the Tamil minority following an upsurge in violence by Tamil separatist euertillas in tha demand for their release. separatist guerrillas in the told Reuters the troops had north of the island. fired indiscriminately into houses, shops, a post office, buses and rice fields near the town of Mannar on Tuesday

"Police and troops have been ordered to shoot on sight any peopla attempting to creata mischief," he said.

It is the first time the governrillas began their violent state the army had gone on a ram-for the island's 2.6m Tamil page and killed civilians in minority nine years ago.

The curfew in the capital was the current in the capital was due to last five hours from 5.30 pm GMT. A current is still in force in much of the porth and northeast of the island. Soldiers were earlier reported to have gone on a rampage and killed at least 83 unarmed civil-

news conference S1 rebels were killed when troops replied with gunfire after the ambush. So manoeuvring, which upset in-far, 83 bodies are understood to dividual employer negotiators have been recovered along the who were not privy to the pri-Manar-Colombo road and more vata discussions, leaders from the unions, employers and the

after guerrillas set off a land-

mine under a jeep, killing one

soldier and injuring six.

northwest Sri Lanka. The Colomho curfew follows the kidnapping two days ago of nine peopla in the northern dis-trict of Jafina by guerrillas who trict of Jaffna by guerrillas who attack on two buses, sourcea attacked a train. The hostages said. ances

.. . . ...

By Dai Hayward in Wellington THE NEW ZEALAND Labor Government has achieved some thing of a political success in its first hig challenge by holding down wage rates in wage talks which began this week.

Tha first three unions to settle Local residents who saw the bodies of the civilians killed by after 18 hours of intense negotiations have accepted increases of between 6.4 per soldiers in northwest Sri Lanka cent and 7.02 per cent.

Mr David Lange, the Prime Minister, sald the Government said they were looking for a guideline of no more than 5 per cent.

Unions declared the minimum would be the 9.6 per cent recom-mended hy the Federation of Labor while most employers, revenge for attacks by guerrillas trying to stay below the Government guidelines, offered Mr Athulathmndali told a

2 per cent. In soma behind-the-scenes manoeuvring, which upset inians after a Tamil guerrilla at-tack on an army convoy in northwest Sri Lanka. The Colombo curfew follows stopped running because drivers the Unions, employers and the 5.4 per cent to 7.02 per cent. The new rate means about

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### Canada to table draft **Bill relaxing curbs** on foreign investment

#### BY BERNARD SIMON IN TORONTO

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ment in Ottawa today.

reaching one, implementing pro-mises made by the Progressive Buttres mises made by the Progressive Conservative Party during last September's election campaign to improve significantly the climate for foreign investors in

Canada. Canada. Tha new legislation will re-define the role of the Foreign Investment Review Agency (Fira), the Government body which screens almost all acquisi-tions and new business yeatlutes ouraged renewed inflows of foreign investment since late which screens almost all acquisi-tions and new business ventures in Canada involving foreigners. 1983.

Government officials have in-dicated that the vetting process will in future be limited to large transactions and those involv-CS2bn in September, statistics. ing politically sensitive sectors, such as energy, broadcasting and publishing. Fira will be renamed "Investment Canada," and its mandate will include the promotion of foreign investment in the country.

Canada is more dependent on foreign capital than almost any other industrial country. Foreigners control about 10,000 Canadian companies. The book value of direct foreign invest-ment in Canada is estimated at

December 7, 1984

DRAFT legislation relaxing accounted of 78 per cent of the curbs on foreign investment in total foreign stake, followed by Canada will be tabled in parlia. Britain 9 per cent.

Fira has been a major irri-The draft Bill, amending the Foreign Investment Review Act and its activities have contriof 1973, is expected to be a far- buted to strained relations with

investment contributed to long-term capital outflow of C\$5.3bn

foreign investment since late

Exports were virtually un-cbenged at C\$9.8bn but imports dropped by 4.4 per cent, follow-ing a similar decline in September from a record C\$10.2bn. Automotive products accounted for the bulk of the fall in im-ports, reflecting the two-week strike at General Motors' plants in Canada in the second half of

October. The trade surplus is expected to reach about C\$20bn this year C\$72.5bn (£48bn). At the end and a similar level is 1985, of 1983 U.S. companies compared to C\$17.7bn in 1983.

### Mexican peso devalued further By Ronald Buchanan in Mexico City

**MEXICO HAS finally yielded** 

to pressure from local in-dustry and foreign bankers and announced an acceleration in the rate at which its peso is allowed to fail against the U.S. dollar.

But the new daily devaluabut the new unity devalua-tion of 17 centavos announced by the Finance Ministry on Wednesday night will not be emough to offset the difference in inflation between the U.S. and Mexico, bankers said yesterday.

It is equivalent to a depre-cistion of 40 per cent a year, whereas inflation in Mexico of some 65 per cent is running abont 60 per cent faster than in the U.S. The slow rate of depreciation

tions.

tion candidate.

agreed after initial reluctance to

black South African Nobel Peace

Prize winner, to explain his policies

on apartheid, the White House said

Officials said that Mr Reagan had

decided to invite Bishop Tutu to the White House today after learning of

his impassioned criticism of admin-

istration policy in congressional hearings in Washington earlier this

Mr Reagan's decision came as the

black-led anti-apartheid movement

in the U.S. continued to put pres-

sure in the Administration to take a

stronger stand, Mr Randall Robin-

week.

meet Bishop Desmond Tutu, the to Europe.

The slow rate of depreciation of the peso, which was pre-viously pegged at 13 eentavos a day, bas led to a real increase in the valoe of the Mexican currency this year. Bankers fear this is making industry and tourism less competitive and could rekindle espital flight which was a major factor behind the debt crisis of 1982.

of 1982. But the Mexican authorities have staunchly resisted a steeper devaluation for several months, arguing that the export sector was performing well and that a high currency rate is needed to check in-flation.

The new depreciation rate applies to both the controlled market which is used for major commercial transactious end the free market which is used for financial deals

Fiscal Agent

### Notice of Redemption

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NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agree-ment dated as of January 15, 1981, under which the above described Notes were issued, Jim Walter International Finance N.V. (the "Company") has elected to redeem on January 18, 1985 (the "Redemption Date") all outstanding Notes at the redemption price equal to 100% of the principal amount thereof plus interest accrued to the Redemption Date. On and after the Redemp-tion Date interest on the Notes will cease to accrue. The Notes are to be redeemed at the office of Cribank, N.A., 111 Wall Street, 5th Floor, Receive and Deliver Window, in the Borough of Manhattan, the City of New York, State of New York; or at the main officer of Criback. N.A.

or at the main offices of Citibank, N.A. in London, Brussels, Paris, Frankfurt/Main, Amsterdam, Zurich, Milan, or the main office of Citicorp Bank (Loxembourg) S.A. in Luxembourg. The Notes should be presented and surrendered at the offices set forth in the preceding para-

graph on the Redemption Date with all interest coupons maturing subsequent to said date. Coupons due January 18, 1985 should be detached and presented for payment in the usual manner.

For: JIM WALTER INTERNATIONAL FINANCE N.V. Byi CITIBANK, N.A.

### **AMERICAN NEWS**

### **Tancredo set for victory in Brazil NYC** broker

THE broad outlines of an in- in charge of the three branches formal pact between the oppo-sition parties and the Brazilian • "Provocations" the military, to permit a smooth bandover to civilian rule next

• Provocations to the scosibilities of the military, in the form of left-wing dominated public rallies in the run up to the election are being severely year, are taking shape. The groundwork for the pact

limited by Sr Tancredo The armed forces have formally declared, in return, has started being laid over the past week, following the recognition that Sr Tancredo Neves, the opposition lesder and presi-dential candidate. has now that they will not permit any last minute changes to the chectoral rules, to permit a cn:neback by Sr Paulo Maluf, the badly trailing official amassed enough pledged votes to be virtually certain of vic-tory in January's indirect eleccandidate. As part of this growing under-

The Supreme Electoral Tribunal (SET) ruled that dele-gates to the Electoral College standing between the opposi-tion and the outgoing, militarybacked Figueiredo government. Sr Tancredo recently declared (EC) are not obliged to vote in accordance with the parties that he was content to leave negotiations on rescheduling Brazil's \$100bn (£\$3bn) foreign on whose ticket they were elected. This means that government party dissidents will be able to support the opposidebt to the present team, headed by Sr Anionio Delfim Netto.

The opposition leader went out of his way to praise Sr Delfim's competence.

Barring a last minute upset, now looking increasingly un-likely, the 74-year-old former prime minister thus looks set That the debt talks, due to resume next month, have the blessing—and, better still, the endorsement—of the likely next president of Brazil is of extreme importance to the country's bank end official creditors. to lead his broad coalition-ranging from the extreme left to the traditional right—into power next March.

The main points of the un-written pact with the mililary appear to be: There will be no investiga-In recognition of the likelihood of a Tencredo victory, discussion bas already begun within the Democratic Alliance,

• There will be no investiga-tion of the military's record during its 21 years in power, "Revenge," to use the current political codeword, is out as the political grouping behind the opposition leader is known, on the distribution of govern-Mutual agreement between ment portfolios.

the outgoing regime and the in counterpoint to the conf. Front of stage the PDS bas determin embryonic new government on dence within the opposition, an been playing out its deatb pre-arran the choice of military ministers, increasing level of bitterness agonles. But bebind the scenes cedures.

Sr Tancredo-enough votes to ensare a win

pervades the government party, the Partido Democratic Social, or PDS.

Firmly in the hands of Maluf supporters, the rump of the PDS last weekend launched a witch hunt against prominent party members who have deserted to the Tancredo camp. Faced with the threat of ex-

pulsion, on Monday two leading dissidents, vice-president Aureliano Cbaves and Sr Helio Beltrao, a long serving forer government minister, nounced their voluntary resigna-

hounced their voluntary resigna-tion from the official party. For bis part, Presirent Joao Figueiredo has been quletly distancing hilmself from his party's chosen successor. In effect he has abandoned the party of which he is honorary president to Sr Mainf. Front of stage the PDS has

traditional Brazilian pragma-tism in the face of reality has in recent days brought about a number of discreet, but important, meetings between the opposition candidata and Brazili convice chiefs Brazil's service chiefs. A key meeting, pubicly denied but privately confirmed

By William Hall in New York A U.S. federal grand jury has charged a New York stockbroker with using inside information to illegally trade in the shares of Marathon Oll ahaad of its \$6.4bn (£5.3bn) takeover by U.S. Steel by Tancredo aides, apparently took place with General Walter in 1982. Pires, the Army Minister, a deeply loyal supporter of Presi-The inry has charged Mr David Rapoport, a former part-ner with Paul L. Forchheimer &

dent Figueredo. Its purpose, according to usually well informed Press reports, was to reach an under-standing on tha transition and, ner with Paul L. Forchneimer & Co., a small New York broker, of using an account at Ellis to trade in Marathon call options. Mr Rapoport is the eighth per-son to be charged in the so-called "Sullyan and Crommore mundanely, to discuss the military's future budgetary In a surprise move General

dent by an electoral college. After a series of meetings with the Army's high command, General Piries guaranteed that the armed forces would preserve Brazil's "democratic institu-tions" and would not allow the succession to descend into a judicial battle through the courts on fine interpretations of electoral law.

It was a clear rebuff to the bopes of Sr Maluf that the mili-tary's known distaste for the Left-wingers in the Tancredo coalition would overcome their determination to maintain the pre-arranged succession pro-

Nicaragua businessmen say travel is restricted MEXICO CITY - Nicaraguan busi- dent of Cosep, said the Sandinistas

ness leaders accused their country's had prevented some dissidents left-wing Government yesterday of imposing arbitrary travel restric-tions on prominent members of the port. Others were refused exit visas opposition in what they called a and in some cases, Sr Gurdian said, new crackdown on dissidents. the authorities refused to issue

of a U.S. invasion.

saying the ruling Sandinista Na-tional Liberation Front (FSLN) had failed to provide fair conditions. Sr Ramiro Gurdian, vice presi-

He said Sandinista harassment of dissidents and human rights violations had increased since the elections, in which the FSLN reaped

about two thirds of the vote. The Sandinistas have said the restrictions were necessary as part of a state of alert called shortly after the November 4 polls amid fears

"The Government has drawn up a list of four typewritten pages of people who are not allowed to leave the country," Sr Gurdian said. This was part of a plan to crush the opposi-tion, he added. Reuter.

well" case which involves the former office manager of the Pires, usually regarded as a political hardliner, issued n statement giving the army's backing to the maintenance of the existing rules governing the selection of Brazil's presi-dent hy an electoral college well known New York law firm who has been charged with leaking sensitive information about corporate takeovers. Ellis had been earlier named by the Securities and Exchange Commission (SEC) which is investigating what is believed

investigating what is believed to be the largest case of iusider trading in Wall Street history. The SEC has charged that "many individuals" from a New York suburb had used Ellis to trade stock and options in U.S. companies ahead of take-over announcements. There have been reports that over over announcements. There bave been reports that over \$40m in profits could have been

made on these illegal trades. The SEC has refused to say whether there is any link botween its own invostigations and the federal grand jury charges.



**Reagan to outline policy** on apartheid to Tutu BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

Members of Nicaragua's Superior passports. Mexico City that those prevented

from leaving Nicaragua since general elections there on November 4

included Sr Enrique Bolanos Co-sep's president, and Roman Catholic Bishop Pablo Antonio Vega. Cosep is a member of the Demo-

can gold krugerrands, to "hurt the economy", he said. Mr Chester Crocker, the Assis-tant Secretary of State for Africa, said that although no American sympathised with apartheid, U.S. cratic Co-ordinator, an alliance of right-wing parties and organisa-tions which boycotted the elections ability to effect change was limited. He added, however, that the re-

cent wave of anti-apartheid demonstrations was "not unhelpful" in get-ting the two-week-old protest campaign across.

Africa and a boycott of South Afri-

PRESIDENT RONALD Reagan has would be broadened to cities all around the U.S. and would spread He said that the demonstrators would seek an end to investment in

South Africa and a boycott of com-Council of Private Enterprise (Cosep) told a news conference in panies doing business there. They would campaign for the withdrawal of pension funds invested in South

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### WORLD TRADE NEWS

### Stewart Fleming looks at the way demands for protectionism are gaining ground U.S. business shifts stance on free trade

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by an overvalued exchange rate and unfair trade practices

abroad. "There is a perception that The the playing field is beoming... oppo-disadvantageous to American Cult husiness, and this puts at issue (our) position on free trade,"

A row is also brewing between the EEC and the U.S. on agricultural export subsidies. The U.S. is maintaining its opposition to the Common Agri-cultural Policy and is pressing the Community to eliminate export subsidies export subsidies.

"We dn not want to have as our corporate epitapb that we died supporting free trade. ... target is the possible tightening The president needs to be told of the U.S. telecommunications

Certainly, any sudden fall in markets of Japan and Europe. Certainly, any sudden fall in The U.S. signalled its mili-tancy again last week with strong pressure on the General tackle the deficit could change Agreement on Tariffs and Trade to push for increased liberalisation of trade in ser-vices. It is the one area of trade in which the U.S. is a all that more stark given the world leader. In the face of visible trade deficits with vir-year in view of the strong

MR LEE MORGAN, Chairman of the Caterpillar Tractor Com-pary and, in recent years, onst ardent free trade advocates, housiness of discontent over and a soaring dollar are now bodie a sertes of meetings with some of President Ronals. The corporate sector is include Mr James Baker, the worried that not only will include Mr James Baker, the their business at home and beingers continue to steal their business at home and provide trade lobby, The Business round Regan, the Treasury scretary, and Mr Ed Meesar, from him. The U.S. business community is becoming aroused," in the face of a trade deficit which will is becoming aroused," in the face of a trade deficit which will simonistration policy, and ther face of a trade deficit which will simonistration policy, and ther and ministration policy, and ther face of a trade deficit which will simonist double to \$130bm this year. The U.S. is all the more and aroused in the face of a trade deficit which will simonist double to \$130bm this year. The U.S. is all the more strade and imports of steel. The strade deficit which will simonist down on EEC pipe uses through the competitive liability created by an overvalued erzohange rate and unfair trade practices and unfair trade practic Corporate muscle flexing, how 'The U.S. business community is becoming legislation opened the door for cver, is not as inconsistent now aroused in the face of a trade deficit which will the U.S. to seek more effective as it was earlier in the year with aroused in the face of a trade deficit which will be used to be the the between almost double to \$130bn this year. The U.S. indus-trial machine is in danger of being dismantled and the interests of U.S. busi-because of competitive liability created by an sease who invest directly over-sease. overvalued exchange rate and unfair trade prac-

tually all its major trading part-ners, the U.S. is all the more decline in unemployment. It anxious to exploit one of its was against this background few remaining trading that the Administration was able strengths.

to push through the sweeping Omnibus Trade Act, considered Next week, it will be press-ing the OECD to stamp out mixed credits (aid combined with commercial lending! which it regards as unhealthy and un-fair competition. a fine-balanced piece of legisla-tion appeasing both free-trade interest and the protectionist

lobby. The act provided for an ex-tension of the Generalised System of Preferences (GSP), which allows more than 140 dependence dury for The International Trade Commission is being confronted by an accelerating flow of com-The president needs to be told of the U.S. telecommunications an accelerating flow of com- developing countries duty-free when the by some big guns." Mr Morgan's mission is a for the difficulty U.S. telecom- over imports, and is currently of their products. Mr William the trade strong sign that, with the elec- munications producers have in bandling more than 200 in Brock, the special trade repre- operates."

sentative, in spearheading the Act's passage, also won Con-gressional approval for the greesional approval for the Administration to negotiate belateral free-trade accords, initially with Israel. And for the first time, the Administra-tion was given authority to negotiate the inberalisation of trade in services, an issue that was to prove contentious at the Geneva Gatt meetings.

Significantly, there were some bones for the protectionists. The

Afler passage of the legisla-tion, Sir Roy Denman, head of tion, Sir roy Denran, head of the EEC delegation in Washing-ton, remarked: "We have escaped disaster." But he quickly warned: "Our trade dif-ficulties are not going to go away, and may even get worse in 1985."

Such fears are now common-place in Wasbington as the economic outlook worsens. Even renowned an internationalist as Mr Henry Kissinger, Presi-dent Nixon's Secretary of State, has been heard to speculate whether the time is approaching when the U.S. should follow Japan's lead and "manipulate the trade system as it really

### **Israel may** buy nuclear plant from France By Paul Betts in Paris

ISRAEL is considering the purchase of a nuclear power station from France. The issue is expected to be raised by Mr Shimon Peres, the Israeli Prime

Shimon Peres, the Israeli Prime Minister, during his current official visit to Paris. The French nuclear power station group Framatome said yesterday that it would be pleased to supply Israel with a nuclear plant if it was given the go-ahead by the French govern-ment. ment.

A deal could involve a 950 Mw plant. However, Israelı officials following Mr Peres' French visu have declined to confirm or deny the reports that the nuclear plant issue would be raised with President Francois Mitterrand. Any negotiations with Israel would coincide with renewed

efforts by Iraq to speed up the replacement by France of a French-built nuclear research reactor destroyed by an Israeli air raid in 1981 near Baghdad. France has so far managed to dolvr an arresement to replace

delay an agreement to replace the Iraqi reactor. But the French position is nonetheless complicated because of President Mitterrand's efforts to improve relations with Israel while maintaining France's

strong ties with a number of key Arab stales. France and Israel signed a nuclear co-operation pact in September 1956. But this co-operation in the nuclear field between the two countries ended in 1967 following a dispute between Paris and Israel which soured bllateral relations for more than a decade.

**Bank of China** loan for plant in Hong Kong

By Christian Tyler, Trade Editor, in London THE Bank of China emerged yesterday as one of the two principal lenders for a HKS210m (\$22.34m)

town gas project in Hong Kong. The contract to build the plant was recently woo by Babcock Woodall-Duckham of the UK. It is said to be first time that the

Bank of China has been involved in a British export credit.

a Brinsh export creat. The loan agreement with Hong Kong and China Gas was signed yesterday. Bank of China and Stan-dard Chartered Asia are providing 40 per cent each and Wardley 20 per cent of a HKS165m loan arranged by J. Henry Schroder Wagg, the Singapore Airlines attacks Britain over flights move

#### BY CHRIS SHERWELL IN SINGAPORE

taking a contradictory stand over its application to operate

services to and from Man-

The accusation, which fol-

lows the UK Department of Transport's recent rejection of the SIA request, is the nirline's strongest public comment yet

on the Issue and could well fuel a simmering row between Britain and other South-East Asian airlines.

chester.

SINGAPORE International Air-Ines (SIAI, the tiny island criticised both in the House of state's highly successful national flag carrier, yesterday accused for his "restrictive attitudes." the British Government of the Si attack was volced by taking accused for his "restrictive attitudes."

for his "restrictive autumes." The SIA attack was volced by Mr Lim Chin Beng, the atrline's deputy chalrman yesterday. He criticised the Transport Depart-ment fir its " protectionism " in suggesting that SIA should reduce its services to Heathrow before it could be granted landing rights to Manchestor.

The department's attitude, he claimed, was "plainly quite con-trary to the declared policy of the British Government for free

Asian airlines. The Malaysian and Phillppines national airlines bave also pressed unsuccessfully for extra fights to Britain over recent State St Mr Nicholas Ridley, the UK its "legitimate request."

A fenture of the increase in West-

### **Balance of trade shifts** in favour of East bloc

### BY ANTHONY MCDERMOTT IN GENEVA

ECONOMIC ACTIVITY in both ther this year. Western and centrally-planned economies has expanded in recent years, but the balance of trade is fast shifting towards the East bloc ern demand was the 50 per cent rise in U.S. import demand from the East bloc countries. Western Euronations, says the annual economic pean imports rose only marginally. The import rise from the Soviet bulletin of the UN Economic Commission for Europe (ECE). The report said that the volume of Western imports from East Eu-

Union was due largely to oil and oil products. Increased Western ex-ports to the Comecon bloc as a whole in the first half of the year rope increased by 17 per cent in the first half of the year compared with the same period in 1983. This followed a 9 per cent rise for the whole of 1963 after three con-

secutive years of decline. The East bloc's current account surplus with the West is likely to in-

crease in 1984 and this should lead to a further reduction in the East's convertible currency debt, standing

at \$70bn at the end of 1983. The ECE groups some 30 coun-tries from both East and Western Europe as well as the Soviet Union,

the U.S. and Canada, The Western trade balance with the East bloc bas fallen from a sur- LDC import demand to influence plus of \$2.4bn in 1982 to a deficit of the economies of industrialised

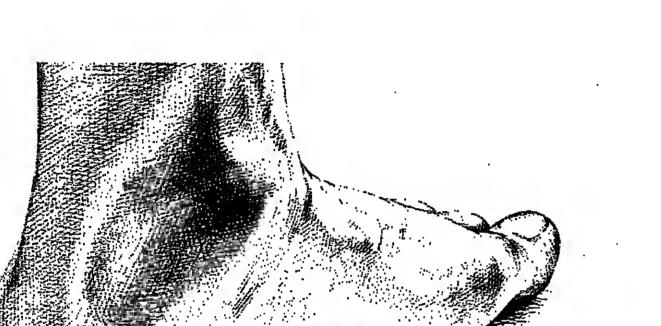
consisted largely of "intermediate" goods, but Western deliveries of en-gineering goods continued to fall. The report points out that the de-velopment of trade between the East bloc and Third World nations bas been weaker than trade growth between the West and the Third World. The study speculates that the evolution of East-West trade "has probably reduced both the capacity

of the European economies and the Soviet Union to stimulate export growth in the less developed countries (LDCs), and the capacities in \$1.3bn in 1983 and is widening fur- countries.



BY PETER SPINKS IN AMSTERDAM

THE THREE main political parties ca and Latin America accounted for in the Netherlands are in favour of Soloon of the Solon in total tr This is seen largely as a result of reducing trade barriers rather than curbing provision for Third World a high proportion of development aid next year, Mr Harry Aarts, aid being tied to Dutch business in-chairman of the Dutch Parliament's terests. With a development aid chairman of the Dutch Parliament's budget set at 1.5 per cent of net na-Development Aid Commission, tional income (0.9 per cent of GNP), said. the Netherlands currently ranks second, behind Norway in the One such target is the Multi - Fi-bre Arrangement (MFA), the interworld's league of Third World donnational textile agreement that governs most of the world's trade in The Dutch increased their annual textiles. It was set up in 1974 to alaid contributions to developing na-tions from F1 767m (\$216.4m) in low European textile industries to reorganise to meet Third World 1970 to FI 4.4bn in 1983, although competition. It has since been re-



1978 GOLD PRICE - SIUSI per OL (YEARLY AVERAGE)

have strengthened once more, the price of

Gold has correspondingly either levelled

tive performance of Gold and the Dow

Jones Index since 1972 - Dollars and the

US economy being the key indicators of

world economic activity. The single 'hiccough' within the highly consistent

pattern illustrated occurred in 1980, when

the Dow Jones and the Dollar price of Gold

rose together. The reason for this was the

unusual combination of the US elections,

Iran and Afghanistan, which triggered off

an abnormal spasm of political insecurity.

formed particularly well in sterling terms;

and the second sec

Overall, since 1972, Gold has per-

out, or dropped.

DOW IONES INDUSTRIAL INDEX (YEARLY AVERAGE)

The illustrated chart follows the rela-

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ndo**o me**rci being supported by Britain's Export **Credits Guarantee Department** According to leaked reports over-seas, the loan is at a fixed rate of 11 per cent, repayable over 8% years. Babcock won the contract against strong competition from Japan

West Germany and Denmark. It is to build four gas plants at Taipo in the New Territories, cap-able of producing 2.8m cu m a day and doubling the utility's output of town gas for the colony.

Peugeot assembly plan

PEUGEOT, the private French car group, is negotiating with China the construction of an engine component assembly plant at Canton, Paul Betts writes from Paris. Peugeot confirmed yesterday that negotiations were taking

place between China and the French group's Automobiles. Peugeot division which includes the Peugeot and Talbot car marques. The group also owns Citroen

Apart from the Canton plant to assemble components for China's existing car production, Automobiles Peugeot is also negotiating the export to Cbina of cars assembled in France.

#### U.S. investment in UK

SEVERAL U.S. companies are like ly to invest in England's West Midlands, according to the region's In-dustrial Development Agency, Lorne Barling writes.

A spokesman for the agency said that various incentives meant that the area could compete on more equal terms with other parts of England.

newed twice and faces n further renewal by July, 1986. Mr Aarts says the MFA should be abolished.

Mr Aarts' proposals were made in Dutch Minister for Development Co-operation, Mrs Eegja Schoo, rea recent interview and follow an Incently proposed measures which she claims will remedy the frequent ternational Food Policy Research Institute survey earlier this year which indicated that a 50 per cent reduction in Western nations' trade barriers would increase Third World exports by 11 per cent, or \$3bn annually.

These measures would give less emphasis in bilateral aid. They would include changing the system of budgeting whereby funds are al-His remarks are the latest in located several years ahead followwhat is emerging as a long, theoreting agreements with developing countries as to how they intend ical debate on how to adminster trade. The debate has been joined spending their aid. not only by the ruling Christian Democrat-Liberal coalition, but by the opposition Labour Party.

The debate centres not on the amount of aid to be provided, but on the method of its application, and particularly whether it is the lesser developed countries or the newly industrialised nations that are benefiting most from it.

Trade between the Netherlands and the Third World bas risen substantially in the last decade. Although the EEC took two-thirds of Dutch exports last year, Asia, Afri-

It is also envisaged that aid be provided in future on condition that higher proportion - estimated by Government sources to be around 40 per cent at present - be spent on buying products from Dutch compa-Government critics argue, however, that this is a two-pronged is-sue - with Dutch companies per-

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the budget ceiling dropped last year

Following the present British, U.S. and West German trend, the

complaint that over a third of Dutch

for the first time by Fl 35m.

aid is inefficiently spent.

haps benefiting from more aid be-ing spent in the Netherlands, while at the same time being given "lane duck" protection in the form of hid-den subsidies to ailing industries.

### Saudis give petrochemical pledge

#### BY FINN BARRE IN RIYADH

SAUDI Arabian Basic Industries Corporation (Sabic) is aiming to have to make profit." Sabic is clearly anxious to soothe the apprehensions of the industry over the prospect of Its new capacity in Saudi Arabia, maintain the price of its petrochemical products as high os possible and to minimise their impact on the industry world-wide, according to Mr Ibrahim Salamah, vice-chairman and scheduled to come on stream next year. managing director. It has a 50 per cent share of In an Interview In Riyadh, he

seven large plants, either com-pleted or being built in joint ventures with foreign parmers, as well as wholly owning one ethylene facility under construcsaid that the corporation would monitor the market and set Its prices in line with current rates. Sabic would also regulate its own sales Mr Salamah added.

and concentrate instead on sell-rationalise output. Mr Salamah ing direct in end-users. In this said. At the sama time, ho way, Sabic hopes to avoid facili-tating the use of stockpiles for chough to without was strong the manipulation of product

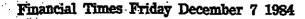
prices as bigh as possible. We dicers fearful of Saudi competi-have to make profit." tion tended to forget the Sabic is clearly anxious to significant proportion of output which would be absorbed in the

kingdom. Mr Salamah estimated that the local market would consume the local market would consume 11-12 per cent of Saudi output in the outset and that within three to four years the propor-tion would rise to 20 per cent. Much of the Saudi marketing effort will initially be handled by Sabic's joint-venture partners which are committed to market-ing the bulk of production at the beginning. Sabic's marketing responsi-bility will increase progres-silvely, although the various projects have different time-

projects have different timetahles.

Sable has established a marketing affilate with branches in London and Hong

the manipulation of product from and he up not rule out Sable prices. "We do not want a price war," of output went unsold. Mr Salamah asserted. "We want He also claimed that pro-Kong



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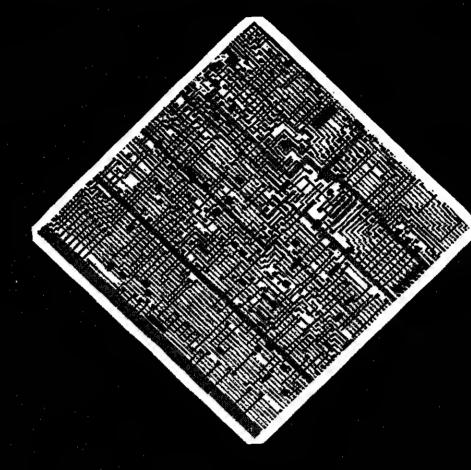
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THE STANDARD BANK SYSTEM American Express Bank Global Financial Network

ly £4m for Horizon.

For companies of such size and

resources, guarantees are not hard to find, although a parent group (such as Thomson Organisation)

cannot be the guarantor for a tour

subsidiary. For independent opera-tors, however, high premiums are often sought by banks or insurance

The bond is the first line of de-

fence in the event of tour operator

collapse. The second line is the Air

claims of £3m as a result of recent

The CAA has clearly been upset

by recent criticism that it is not

monitoring the tour operating com-

panies closely enough. It is stress-ing that its first task is not one of fi-

nancial control, although that is be-

The alternative of an investigato

tour company failure

ng improved.

companies for the bond backing.

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### **UK NEWS**

### Thatcher sets tax reforms as top priority

#### BY PETER RIDDELL AND MAX WILKINSON

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Mrs Thatcher told MPs in the House of Commons that there was great need to give tax assistance to low wage earners. Later, during a debate on the Government's autumn economic statement, Mr Lawson said he hoped to continue to raise tax thresholds well ahead of inflation to benefit not just the few but the many,

The Treasury has indicated that about £1.5bn might be available for tax cuts in the next spring budget. However, it has become apparent in Whitehall that the room for manoeuvre may be squeezed since the additional cost of buying oil rather than coal to provide electricity is likely to be borne hy the Treasury, and hence the taxpayer, rather than through a special levy on consumers, the so-called Scargill surcharg

No decision has been taken but this is the opinion of ministers and officials involved.

Mr Lawson is also coming under pressure from a wide range of his ticular, the water industry will own backbenchers to use any available money on capital investment projects rather than on income tax cuts, which one MP said would just burden on industrial costs as well be spent on imports from Japan. Mr as the domestic householder." Lawson said this was a "defeatist

C. Strate

A STATE OF

Mr Lawson's speech came only a der to raise the money to finance few hours after the publication of a tax cuts would be a mistake.

AN INCREASE in income tax critical report on the autumn state thresholds is the Government's top ment from the cross-party Treasury fiscal priority, Mrs Margaret and Civil Service Committee of the fiscal priority, Mrs Margaret and Civil Service Committee of the Thatcher, Prime Minister, and Mr Commons. This questioned both Nigel Lawson, Chancellor of the Exchanger both indicated yesterday. and they way in which the spending decisions had been taken.

> In particular, the committe questioned whether the Cabinet was considering spending priorities as a whole. In reply, Mr Lawson ar gued that the mechanism used mattered much less than the need to use political judgment. He said that the results were determined as much by constraints as by priori-

The Committee says it sceptical about Mr Lawson's scope for tax. cuts.

It says that the Treasury's estimate of £12bn North Sea oil reve-nues for 1985-86 is £2.5bn higher than its estimate at the time of the last Budget and is vulnerable to any fall in the dollar which might reduce the sterling value of the reve-

The committee also expresses anxiety about the plans to require : higher rate of return from nationalised industries. It says that, in par-

only a week. probably have to use its monopoly power to increase its charges and adds: "This will undoubtedly place a

Mr Lawson is told that extending the range of value added tax in or-

### **Kinnock warns against** general strike on pits

#### BY PETER RIDDELL, POLITICAL EDITOR

MR NEIL KINNOCK. leader of the Labour Party, yesterday con-demned both violence and calls for a general strike in support of the striking miners.

After a meeting at the House of Commons between members of Labour's national executive and union leaders, Mr Kinnock warned that everything possible must be done to stop the case for coal being obstructed by violence.

In response to demands from left-wing members of the executive such as Mr Dennis Skinner and Mrs Audrey Wise, for a general strike, he said that this would be isastrous.

"The prospect of a general strike is nil and any threat of a general strike without a prospect of it being successful would be terminally

damaging to the movement's chances of putting the case for coal over the public," Mr Kinnock said. "It would be yet another cul de sac." Mineworkers (NUM) to the Trades Union Congress (TUC) to enable the union to operate on a day-to-day basis, despite the order by the High Court for the seizure of its assets. Instead, the meeting agreed to support in principle the points sub-mitted by the National Union of The strains between Mr Kinnock

### **Receiver for NUM to resign**

#### BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE SOLICITOR appointed by the The High Court was told yester-High Court to act as receiver of the day that Mr Brewer was not willing National Union of Mineworkers to continue and would be replaced, (NUM) is to give up the post after if the receivership continued, by Mr John Arnold, of chartered accoun-Mr Herbert Brewer replaced the tants Arthur Young McClelland union's three trustees - who in-cluded Mr Arthur Scargill, the the court rules today on whether NUM president - in the court's at-the receivership should continue. tempts to sequestrate the union's Mr Brewer attracted consider-funds. The union has failed to pay a able publicity after his appointment £200,000 fine imposed for contempt and on his unsuccessful trips to of court for failing to obey injunc- Luxembourg and Dublin this week tions not to describe the pit strike to try to gain control of NUM funds. The union criticised his appoint-

ment on the grounds that he was a life vice-president of his lecal Conservative Association in Derbyshire and a member of the Institute of

Mr Martin Redmond, a Labour MP and an NUM member, said in evidence to the court that Mr Brewer's selection as receiver had been highly provocative and totally inappropriate

Mr Philip Heslop, counsel for Mr Brewer, said Mr Brewer had been prepared to take up the post in cirnstances of enormous urgency.

Directors.

### Horizon holiday price cuts may spark another package tour war

HORIZON, Britain's third largest tour operator, has raised the prospect of another holiday price ARTHUR war hy cutting its prices for next

At the same time, the Civil Aviation Authority (CAA) has blamed much of the travel industry's problems on price wars and has unveiled stricter controls for naciast controls for package tourism.

Horizon has cut an average 3 per cent off the prices of its programme of 450,000 holidays for next year. The higgest cuts are on peak summer trips to Spain, where some tours have been reduced by as much as £50. About 200,000 holidays

In making the cuts, Horizon is admitting that it overpriced when it first produced its programme in September. "We do not think our competitors will see this move as provocative," said Mr Ken Franklin, chairman and managing director.

companies to produce a programme for 1985. It lifted its prices for Spanish holidays by more than 23 per cent because, he said, "we were certain that sensible margins had to be restored for next summer if the industry was to maintain stability.

form the majority of licence hold-ers, have been given a 3 per cent discount on their bonding requirereports on the latest moves ments, thanks to the co-operative system of mutual help in times of in the troubled travel trade trouble run by the Association. If the new CAA rules go through as the Civil Aviation Authority seeks to tighten and the operators have until the controls end of January to protest - then each operator would, very roughly, have to find an additional guaran-

SANDLES

react, and that is what we have tee of around £750,000 for every 100,000 passengers. This would be about £7.5m for Thomson and neardone.

Trade sources have been indicating that bookings for next summer generally are running around one third below the rate of a year ago. Mr Franklin confirmed that bookings had been sluggish, although he added that bookings for Greece were ahead of the December 1983 level.

"It is difficult to predict what is going to happen to the booking pattern. At the moment we are appreciably down. We are also seeing people trading down, taking shorter holidays and there has been Travel Reserve Fund, which has about £16m but faces outstanding a further swing to self-catering."

Mr Franklin predicted a continued move in the market towards the larger tour operators with well-known names. The CAA, mean-while, has hlamed some at least of the recent package tour problems on people seeking out the cheapest operator rather than the most reli-

The system (of allocating li-cences) is based on the assumption that businesses and managers are "If you always choose a bargain and take the cheapest then you ac-cept a risk," said Mr Tom MacMillan, the CAA board member who is honest and honourable and the certificates they issue can be relied up on," Mr MacMillan said. responsible for screening tour companies. No one will prevent fail-

ry inspectorate was not a viable The authority is planning to give itself earlier warning of tour opera-tor problems and raising the finanone. A jack-booted police force able to go in at any time .... I do not cial requirements for hundreds of believe that is a concept that is acoperators to provide more cash for ceptable in a free society," he said. The CAA, however, does make helping holidaymakers when comadditional calls on companies for panies fail. It is proposing to increase the greater financial backing before li-

tour operator bond required from cences are granted and sometimes members of the Association of Brit-subjects licence holders to closer

Ish Travel Agents (Abta) from 7 per cent to 10 per cent of projected turn-over. This band has to be lodged, or felt there was a case for some inguaranteed by a third party such as crease in bonding, the CAA proposa bank, to be used to rescue or reim-burse clients if a company fails. Until now Abta members, who smaller Abta operators."







stroy the NUM."

and Lacour Party Leaders must now stand up in contempt of laws being used against us - or remain Mr Neil Kinnock: violence forever in contempt of all those damaging miners' cause they represent all those whose futures are at stake in this crucial

and the NUM leadership were nn-

derlined yesterday when Mr Arthur Scargill, the NUM president, said

that the recent actions by the courts

were "the greatest challenge" ever

faced by the labour movement. In an article in Labour Weekly,

battle. • TUC leaders last night told the NUM in unequivocal terms that any and all support it could give the union would be limited to lawful ac-

the party's newspaper, Mr Scargill said that there must be industrial action. "the most massive mobilisation of industrial action our movement has ever known, and we must have it now. There is no other way to stop the courts' attempt to dewill be cheaper. In a clear challenge to Mr Kin-nock, Mr Scargill said: Trade union

Horizon was one of the first tour

The Spanish hotel price rise has now come back to 19 per cent on average when compared with last year. "Some of our competitors

prices, Mr Franklin said. "Consequently, we have been left with no other option than to reduce the price of those holidays

Thomson, the market leader, produced its programme at much the same time as Horizon with cheaper prices at the peak times to the main Spanish resorts. Other rivals, such as Intasun and the British Airways subsidiary Enterprise, have both produced

Mr Franklin said: "We have repeatedly stated that we would not stand back and watch our competitors undercut us and take away our market share. We have the finances and the resources to

chose to undercut some of our

brochures recently, after having seen Horizon's prices.

### Intermediate Area.

Intermediate Area Status. 1.1 The recent announcement by Her Majesty's Government of an Intermedi-ate Area (IA) in the West Midlands has significant benefits for the New Town of Telford.

1.2 The new scheme will offer selective financial assistance to qualifying projects that create new jobs or safeguard existing ones.

### Extension of benefits to the Service Businesses.

1.3 Service industries - banks, insurance, laboratories and computer services amongst others – will now be elegible, joining most manufacturing processes which are already included.

### Additional financial assistance.

1.4 Other benefits available to qualifying projects within the IA include: (a)

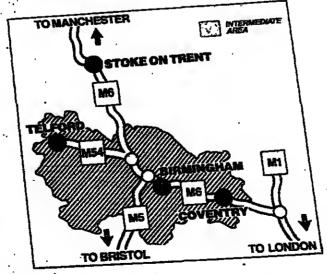
Training grants for new personnel. Access to loans from the European Investment Bank, as well as ex-(b) change risk grants and related benefits.

The Telford Enterprise Zone. 1.5 The benefits of the Enterprise Zone within Telford (i.e. 100% capital allowances, and no rates payable until 1994) are available in addition to the new selective financial assistance.

Existing benefits. 1.6 Telford has a wide variety of readily available floorspace. And it is on Britain's main motorway network: the new M54 puts the M6 within 20 minutes driving time, while Birmingham is about half an hour away.

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By Philip Stepher

trade gap

**Britain's** 

non-oil

widens

THE SHARP deterioration in Britain's non-oil trade gap this year was confirmed yesterday in the latest official figures for the the fatest of payments, but the sur-plus on invisibles continues to outperform expectations. The Central Statistical Office (CSO) said yesterday that Brit-ain's current account deficit for the thind curates of 1964 in out at

the third quarter of 1984 is put at £542m, some £350m less than the last estimate made last month.

The change reflected an up-ward revision in Britain's estimated surplus from invisible trade, which is now thought to be El.1bn compared with an initial figure of £750m.

The CSO said the figures for invisibles were still liable to revision, but its estimates put the net credit on services at £1.3hn and net carnings on interest, profit and dividends at about £550m.

This surplus was partly offset by net transfer payments over-seas of nearly £750m.

For the current account as a whole the deficit for the first nine months of 1984 was £497m, with deficits in the second and third quarters wiping out the surplus recorded in the first.

The CSO said that the move-The CSU said that the move-ment largely reflected the in-creased deficit on visible trade and in particular a large rise in non-oil imports. The visible trade gap widened to £1.6bn in the third quarter and if oil is ex-cluded the deficit was £3.4bn.

The Treasury's latest forec sees the current account in balance over the whole of 1984, which would imply a substantial surplus in the fourth quarter unless there are further revi-sions to the figures for the first

The CSO said that its statistics for the capital account remain incomplete but on an unadjusted basis they show a turnround from an outflow of £1.4bn in the second quarter to an inflow of Elbn in the third.

 Mrs Margaret Thatcher, Prime Minister, yesterday firmly rejected any loosening of control over public spending after the Gov-ernment's decision to drop proposed increases in parental con-tributions to students' fees. She said that she could find no way to svoid difficult spending decisions, and reinsed to urge the Chancellor of the Excequer

public expenditure. There were jeers from Labour MPs as Mrs Thatcher said that

the concessions on student grants had been "received very well indeed

Budgetary 'overkill,' Page 9

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# money enthusiast



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### **UK NEWS**

### uts ma **RAF trainer decision** possible by Christmas

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE BATTLE for the Royal Air Force's (RAF) £200m order for a new basic training aircraft is now nearing its climax. A decision by ministers may be reached before Christmas.

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> The choice lies between four short-listed contenders - the Swisa Pilatus PC-9, backed by British Aerospace (BAe); the Brazilian Embraer Tucano, backed by Short Brothers, the Anstralian A-20, backed by Westland Aircraft, and the British designed Firecracker, supported by a consortium called Hunting Firecracker Aircraft The struggle has been fierce, and

the lobbying in secent weeks has reached an unprepedented level.

reached an upprecedentied level. At stake is not enly the initial er-der for 130 aircraft worth about £200m including spares, but also the subsequent support for the air-craft in service for over 20 years, which eould bring the contract val-ue to £500m or even more. Export orders for the winner could also be substantial. Many overseas air forces are waiting to see which way the RAF mome be-

see which way the RAF moves before committing themselves.

Of the four contenders, three are foreign-designed aircraft. The Fire-cracker is the only British design involved. All four, however, use Ca-nadian-built Pratt & Whitney turbo-

prop engines. But because all four are obliged to meet an eracting BAF specifica-tion, the final choice will not only involve performance characteristics, but other political factors such as the effect on aerospace employ-ment, and on overseas trade.

Lobbying in recent weeks, therefore, has been based as much on the diplomatic and political benefits of buying one type or another, as on the perimical merits of the ancraft involved.

The Ministry of Defence has al- would get very little out of the UK ready said that it wants to see as itself as a result.

4. 5.

Mr Michael Heseltine

much as possible of the value of the order remaining in the UK, through production of parts and final assembly in this country, and all the con-testants have made avrangements for this

Short Brothers, of Belfast, for ex-ample, has pledged that 100 per cent of the Tucano airframe would be built in Belfast, creating up to 2,000 new acrospace jobs there, and another 1,500 elsewhere in the UK

another 1.500 elsewhere in the UK with equipment suppliers. The ether foreign contestants have given similar pledges, with the Freeracker, being UK-designed, automatically being a wholly-UK based airframe production task. Thus, whoever wins the UK aero-space industry will be given a ma-ion baoet

jer beest. It is thus vigorously denied in the industry that if one of the three overseas designs is chosen, the UK. taxpayers' money will be going to support a foreign aerospace indus-

In fact, any overseas designer whose product won the competition

Secret computer centre waits

to handle a company crisis

Foreign companies are so intersted because of the prospects of "follow-on" sales from other countries, It is likely over the next few years that world-wide demand for basic trainers will amount to several thousand aircraft. Many of these orders will go to

wheever wins the RAF contract, because the RAF has a reputation for buying only the best. The UK part-ner will also share that business, which could amount to hundreds of aircraft worth many millions of pounds

The overseas industries, and their governments, are also making it elear that, if the RAF buys their aircraft, there is the likelihood of further defence orders for the UK

It is suggested, for example, but by no means guaranteed, that if the RAF selects the BAe/Pilatus PC-9, Switzerland may buy the BAe Hawk advanced trainer.

Alternatively, if the RAF selects the Shorts/Embraer Tucano, there could be defence orders for the UK from Brazil worth up to £150m a

It is inducements such as these, coupled with the political and financial as well as technical criteria, that the Government is now study

The RAF itself has made its reeommendations to the MOD's Procurement Executive, and that orga-nisation's recommendation will go to Mr Heseltine, Defence Secretary, within a few days. He, in turn, will have to discuss it with the Defence and Foreign Policy Committee of

the Cabinet In view of the imminent absence of Mrs Margaret Thatcher, Prime Minister, in China, it is thought that

a decision may be taken at next week's Cabinet meeting, although the whole affair could still be deferred until the new year.

### Channel link groups sign accord

#### BY ANDREW TAYLOR

A HUGE public flotation, rivalling the recent British Telecom issue in scale, might be used to finance a 24bn motorway and rail link across the Channel, Sir Nigel Broackes, chairman of Trafalgar House, the British shipping and construction group, said yesterday.

Sir Nigel was speaking in London at the signing of an accord between a consortium of British and French bankers and industrialists that formally launched a scheme to build a combination of bridges and tunnels spanning the Channel

Members of Euroroute consortium include: Trafalgar House, Brit-ish Steel, Britisb Shipbuilders and the construction companies John Howard and Fairclough Construct-

French members include Société Générale, Banque Paribas, GTM Entrepose, civil engineers and Chantiers de l'Atlantique, the nationalised shipbuilder.

Sir Nigel said he was confident the consortium would be able to arrange medium-term finance for the project. Ultimately, he envisaged that the scheme would be financed by a massive, possibly worldwide, flotation with shares in a Channel link company sold to "an eager investing public."

He said that the consortium would not be able to complete detailed funding arrangements until an Anglo-French working party re-



M Jean Pehuet, of GTM Entrepose, seated left, with Sir Nigel Broackes, of Trafalgar House after signing the accord yesterday. With them is M Christian Bazin, left, of Chantiers de l'atlantique and Mr Ian MacGregor, original chairman of Euroroute UK.

ported on the financial and techni-cal requirements both governments Margaret Thatcher, Prime Miniswould need. The report is not ter, and President Mitterrand in expected until March. Avignon last week. Sir Nigel, who The report was commissioned af- has takee over as chairman of Eu- principal competitor.

### Government accused of budgetary 'overkill'

#### BY PHILIP STEPHENS

THE GOVERNMENTS view that It suggests that, on the basis of successive reductions in public bor- the calculations used by the most rowing are essential if inflation is stringent monetarists, the planned to be kept on its downward path is public sector borrowing require-

Coates. ker's senior economist Mr Gavyn strategy. Davies argues that the Government

you back around £20,000.

over £250 a bottle.

the sun," he said.

may well have adopted a policy of

stance on the PSBR would be ap- fied the link between budget defi propriate in the UK. He questions the traditional argument that the benefit of a public sector stimulus to demand will quickly be offset by "crowding out"

of private investment. The central thesis of the study, however, is based oe work under-

roroute UK from Mr Jan MacGre gor chairman of the National Coal Board, said he detected a more positive commitment to a Channel link from the British Government. He believed that meant the Government would be in a position to choose by this summer which of the

three basic proposals - a bridge, a tunnel or combination of both - it would support. He said none of the schemes weuld be able to start negotiating finance until the choice was made.

However, Mr Nicholas Ridley, Transport Secretary, bas insisted that be will not make his choice until he is coevinced that the necessary financial backing is available.

The British and French govern-The brush and riend get must meets insist that any project must be entirely self-financing without ining a three-pronged attack oo its 598m deficit. Over the next five

£1m preparing its proposals. Mr MacGregor, one of the insti-gators of the Euroroute scheme whee he was chairman of British Steel, said he would maintain his interest in the project. He said the road and rail optice made much more sense than the twin-bore rail tunnel proposed by Euroroute's

cits and inflation targets.

The results show that, based on

any realistic assumption of real in-

terest rates and growth, the fiscal stance in the U.S. is clearly too lax.

**BR** plans to end losses on **Inter City** By Sue Cameron

9

BRITISH RAIL (BR) yesterday announced a five-year plan for turning an expected C98m loss in this financial year on its Inter City ex-press services into a £5m profit by

The Government is determined to cut its passenger grant to stateowned BR from £837m to £835m by 1986-87. The new Inter City strategy is designed to help BR to meet this

target. BR said yesterday it was plan-

Sir Nigel said yesterday that a years it intends to: cross-Channel link would either Redefine the Inter City network. happen very quickly or would not That will mean handing over loss-occur at all this century. He said making routes to BR's provincial Euroroute had so far speet about | services sector. Inter City will also take in some new profitable routes. The total improvement from "redefinitien" is expected to be £25m over

the period. Cut costs by £47m, especially by changes in maintenance and work-ing practices. Inter City will be respoesible fer roughly a quarter of the 13,000 net job losses that British Rail is planning over the next five

 Boost Inter City income by £31m. An important element will be changes ie the price structure. Inter City intends to bring in what it calls a more logical pricing system from May next year. It is ferecasting n 4 per cent rise in passenger numbers as a result. There will be some fare increases.

Mr Cyril Bleasdale, director of Inter City, said It was planning several moves to attract businessmen There were proposals to provide a pullman service to Liverpool and plans to improve stations and to open first-class passenger lounges at the big termini.

aim of zero inflation.

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gency by some of Britain's largest

BY LORNE BARLING AT A SECRET location somewhere Tennachire, north-west England, most corporate functions in a large most corporate functions in a large A "warm" restart could be achieved where services were most corporate functions in a large company within days. "Financial functions are particu-

shared with a bureau and access by superior by some of principal argest insurance companies and other or ganisations that subscribe to a secondaring, manufacturing and ever, the capacity of the back-up distribution need equally to be pro-tected against collapse. Istel said compatibility over a period of time computer hardware, which is avail of computer losses were through "A variation on this theme is the

ady for operation.

3500 years ago the wisest man who ever lived made an

observation of stunning simplicity. "There is nothing new under

price." As an example, look what's happened in the last 20 years

to a few of the things it would be rather nice to look forward to.

counties has gone from £12,000 to nearly £200,000.

A 5 bedroom farmhouse with a few acres in the home

Very scary figures if you apply them to the next 20 years.

To be perfectly honest he should have added, "Except the

An XKE Jaguar was £1,850. Its replacement, the XJS, will set

And the price of 61 Lafite has doubled 6 times from £3.50 to

challenged today by Simon & ment (PSBR) of £7bn for next year A new study by the London bro-ing the Government's anti-inflation

Mr Davies argues that there are a taken by monetarist economists in "overkill" on its budgetary policy. number of reasons why a looser the U.S., which, he says, have clari-

For the UK, however, the same calculations indicate that much higher borrowing would be compatible with the Government's long-term



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frame computers in Europe.

mutual back-up arrangement, in able at four hours' potice in the fire, 17 per cent through the their of event of e fire or any other disaster that disables their own equipment. which two organisations with nonessential data files, 13 per cent through flooding, water or storm damage and the rest from other acconflicting business interests agree to provide mutual back-up," Istel Failsafe was set up a year ago by Sal Istel - the part of BL that controls cidents, such as the loss of essential san. The "hot" restart is what Fallsafe is offering, a duplicate back-up con-figuration with all hardware, tele-communications and other services its computing operations - and Atlantic Computers, said to be the market leader in leasing IBM main-

services The threat of terrorist action or sabotage by a disgruntled member of staff are also seen as real Since then, it has attracted about dangers, particularly with public

20 subscribers, including Guardian utilities such as electricity. Royal Exchange and Hambro Life. Although most companies Most companies refuse to be named great care to protact their con for security reasons, but Failsafe installations, another surve Failsafe said it was committed to matching the hardware changes of subscriber companies, which, in turn, were encouraged to carry out Although most companies take great care to protect their computer installations, another survey has says about 20 per cent of the UK in-surance industry is participating. have no contingency plans. Of 24 Mr John Leighfield, managing di-rector of Istel, said that with the in-had no formal back-up. regular tests to ensure minimum, difficulty in the event of an emer-

So har, no crases had occurred, but with the number of subscribers rising steadily, Failsafe was having to consider the remote possibility of two happening at the same time. Failsafe is said to be the only ful-ly dedicated system of its kind in human its paraget comparies can creasing integration of business What emerged from the survey creasing integration of business What emerged from the survey systems, risks of computer damage was that, if a disaster shuts down were becoming more and more ap-parent to data processing managers in industry and commerce. Senior "there is a 95 per cent chance that it management were not always re-sponding to what they were told the three main options in such about the matter, and he urged circumstances were "cold," "warm,"

Europe. Its parent companies see the investment as one with considabout the matter, and he matter circumstances were cond, warin, them to consider the potentially and "hot" restarts. The first in-disastrous consequences. volved ordering and installing a According to Istel, a study by new computer, with vital time being creasing rapidly.

### Industry to have academic database

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

BY MARK MEREDITH, SCOTTISH CORRESPONDENT A NATIONAL computer databank is to be set up for industry to log the range of academic expertise and in-dustrial facilities at about 100 uni-versities, polytechnics and govern-ment research instituties in Britain. The £Im project, to be launched in the autumn of next year, has been formed by Cartermill Pub-lishing in Scotland and is backed by the Longman publishing group with financial support from the Electra

### Treasury worries mount over cost of abolishing GLC

#### BY ROBIN PAULEY

might be an addition of at least January.

£750m to public-sector borrowing. Government officials are taking very seriously an analysis in detail of the effect on capital debt of abolidemonstrated that there will inevi-tably be a heavy impact on public barrowing through the dissolution of the council's capital fund.

tancy Service. The Government has over so the freesury is warching the sit-apput a decade, successive adminis-trations at the GLC have been pur-such technical implications - which it has been in error cace before it has been in error cace before Mr Stonefrost has cautionaly esti-mated at £750m over about five years, but which might run as high Rates Act, empowering the Govern-tal fund. The Government has been so

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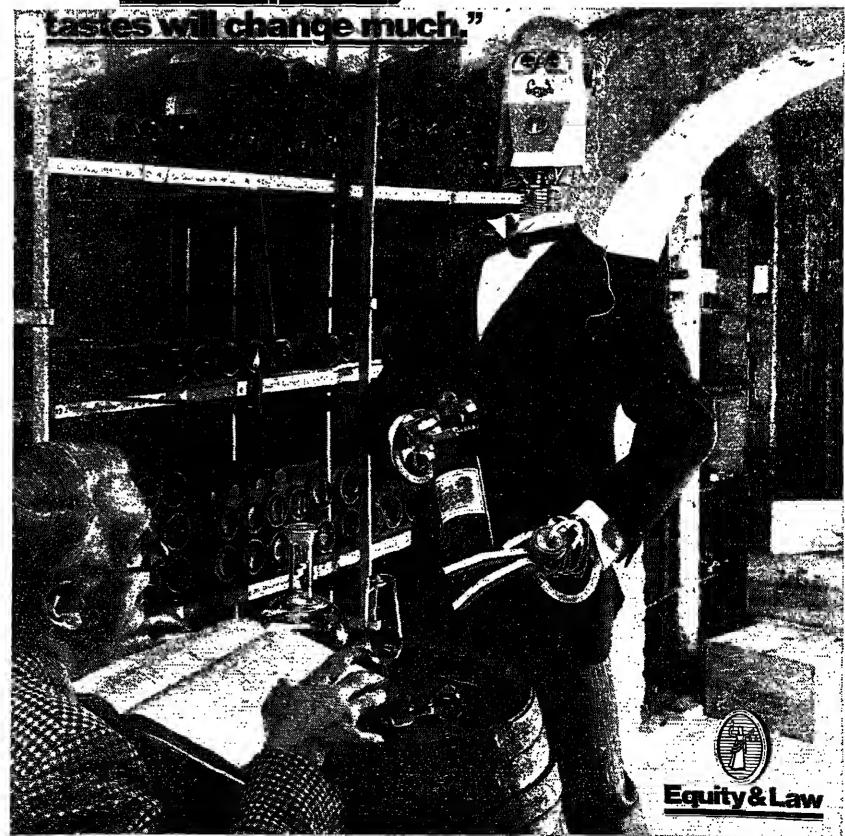
ANXIETY is growing in the Treasp-ry that one result of the abolition of the Greater London Council (GLC) his urgent advice before the end of bis urgent advice before the end of bis urgent advice before the end of bring council spending under con-Mr Stonefrost, whe is president

However, as a result of having to of the Chartered Institute of Public raise the targets of rate-capped Finance and Accountancy, is highly councils substantially to make them of the effect on capital debt of aboli- regarded by the Government as one realistically achievable, plus var-tion, work that the Government has of the country's leading authorities ious promises made to Tory backof the effect on capital debt of aboli-tion, work that the Government has so far not done. Mr Maurice Stone-frost, the GLC director general, has demonstrated that there will insvi-tably be a heavy impact on public. Head of the Government Accountis not what it had in mind. The difficulty arises because, for

The Treasury is watching the sit- about a decade, successive adminis-

Whatever the future holds Whatever the future holds Marketing Information Services on 0494 33377. I don't expect my

Equity & Law Life Assurance Society plc, Amersham Road, High Wycombe, Bucks HP13 5AL.





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**Financial Times Friday December 7 1984** 

ceeded the vessel's market value. If

tions under both mortages because

it was sufficient to cover the out-

standing liabilities under each of

them severally, though not under

count would not satisfy both obliga-

surance in the sum of \$10m could not therefore be treated as compli-ance with their obligations under

The arbitrator's conclusion that it

was managers' duty to insure the

The managers submitted that they were exempted from ilability

agreement which provided that

they should not be under any liabili-

ty for loss arising out of "any error

mission. The judge, on the manag-

ers' notice of motion to remit the

award on that and other grounds,

rightly agreed with the arbitrator.

A bona fide misinterpretaton of

In those circumstances they

could not rely on the exemption

clause. An appeal by the managers

The arbitrator rejected that sub-

of judgment."

by a clause in the managem

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the first and second mortages.

vessel for 512m was correct.

The managers' renewal of the in-

tions

### **BUSINESS LAW**

case.

### FT COMMERCIAL LAW REPORTS

Ship's managers incur liability

by ignoring rise in yen

THE MAIRA Court of Appeal [Lord Justice Lawton, Lord Justice Kerr and Lord Justice Browne-Wilkinson]: December 5 1984

### The cultural factor in price regulation

#### BY A. H. HERMANN, LEGAL CORRESPONDENT

cance for the expansion of free movement of goods in the EEC are now ripe for resolution. The European Court has now heard the opinions of the Advocates-General in the Centres Leclerc cases" and judgments may be expected in the new year.

**Centres Leclerc** is a French chain store which caused a great stir by extending price-cutting to books and petrol. The French booksellers took Lerclerc to court while the petrol station operators tied to the French oil companies did even more: they blocked the roads in an extraparliamentary action which is getting increasingly popular in France where it has been used also against attempts to import Italian wine and British lamb.

The French courts referred these disputes to Laxembourg, asking whether the government-imposed system of retail price maintenance (RPM) for books and the governmental price control of petrol were compatible with EEC rules of competition and the principle of free circulation of goods.

In considering these questions the court has to give some thought to the treaty obligation of member states to "abstain from any measure which could jeopardise the attainment of the objectives of (the) treaty". Are member states abolved from this prohibition when they place cultural criteria above nic aims or when the application of EEC rules would lead to disturbances of traffic by discontented pressure groups? The French Gov-ernment insists they are absolved in both cases.

Advocate-General Marco Darmont agreed that in the case of books cultural considerations prevailed. But the road blocks were not found persuasive enough by Mr Ad-vocate-General Pieter Verloren van

TWO DISPUTES of great signifi- Themaat who dealt with the petrol be undisturbed. Often one bas the see. feeling that it breaks their hearts to French law <sup>|</sup> FF obliges pubpart with their books, although this shers to fix the retail price of is bad not only for business but also

lishers to fix the retail price of books from which booksellers may for culture. not grant a discount exceeding 5 There is a There is a greater chance that the

In the two disputes started by Centres Leclerc the European Court has been invited to condemn the French price regulation of petrol because it eliminates foreign competition, but to approve retail price maintenance on books

quota.

per cent. In the case of imported books, the retail price is determined by the "principal importer" who deposits the book with the authorities. Other importers must not undercut him. The retail prices have to be maintained for at least two years but for not less than six months after last delivery or for nine months after books are sold by mail.

Leclerc was ordered by the court to discontinue cutting the published price. It appealed, arguing that the French legislation was overruled by Community law. The European Court had already dealt with RPM on Dutch books

across the Dutch-Belgian border and condemned it § but left open the question of RPM operated solely within national borders. It was now invited by the Advo-

cate-General to rule that the potential impairment of trade between member states was more than balnies). anced by the cultural loss which would, in his view, follow from the removal of RPM. But he agreed with the Commission that the ap-pointment of a sole, price-fixing im-porter could facilitate infringe-

ments of the EEC rules of competi-If the court accepts these conclusions, European publishers will be left in peace and their view of active selling as somewhat infra dig will Treaty - tha freedom of movement

tain difficulty in reconciling his tough recommendation with the soft judgment, given by the court recently when the Irish Republic defended its legislation obliging petrol stations to buy a certain proportion of their supplies from do-mestic refineries at a higher price

than they paid for imported petrol. He distinguished the Irisb and the French situation geographical-ly: being an island, Ireland had a court will see the light in the case of greater need for self-sufficiency. Alpetrol. Here, the French anthorities so, the domestic market share of Irisb refineries was only about a balf letermine the retail price, taking into account several factors. But the of that delivered by French refiner-ies. Finally, the Irisb Government hed to maintain domestic refinery only decisive one is the price charged by French refineries, which happens to be higher than the international market price. This capacity at a level enabling it to meet an emergency and to process prevents independent petrol stacrude oil for which the Government tions supplied from abroad from concluded long-term contracts.

and of establishment.

The Advocate-General bad a cer-

The two opinions developed a seemingly harmless legal theory that the member states obligation competing, with lower retail prices, for a larger slice of the French market, the price regulation therefore, has the same effect as an import laid down in Article 5 of the Treaty - not to counteract EEC aims, operates differently in relation to a The French Government argues mixed regime of private and public that this is justified by the need to

measures (as in the case of books) keep down consumption of petrol (which sounds odd in the present and differently again in relation to government price control (as in the glut), to assure a proper locatioo of case of petrol). petrol stations, and to avoid "social In the first case, Mr van Themaal disturbances" (such as blocking of said Article 5 could gain direct ef-

roads by operators of petrol sta-tions owned by French oil compafect through the operation of the competition rules of Articles 85 and 86: in the second case, only on the basis of Articles 30-36, protecting The Advocate-General dismissed free movement of goods.

all three arguments; the first two because they related to economic Case no. 229/83 (books) and aims not exempted from the princi-231/83 (petrof). ple of free movement of goods by Article 36 of the Treaty, and the Treaty of Rome, Art. 5, par 2 No 81-766 of August 10, 1981 Joint cases 53 & 63/82, FT Busithird because accepting it would open the door to the obstruction by pressure groups of all the funda-mental freedoms guaranteed by the ness Law Brief. Feb 1984, P11

Case 72/83 Campus Oil Ltd, see α this column July 19 1984.

of goods and workers, of services THE MANAGERS of a mortgaged ship who untertake to carry ont their duties as quasi owners in the best interests of mortgagees and owners, have a dnry to take relevant currency fluctuations inin account when calculating the value for which the ship's insurance should be renewed

The Court of Appeal so held when allowing an appeal by Pini-os Shipping Co No 1, owners of the Maira, from Mr Justice Hobhouse's reversal of an arbitrator's award ([1984] 1 Lloyd's Rep 660). The award, stated in the form of a special case, was that Glafki Shipping Co SA managers of the Maira, were in breach of a duty to insure the vessel for about \$12m

LORD JUSTICE KERR giving the judgment of the court, said that the Maira was built in Japan. In 1977 the owners paid the builders 30 per cent of the purchase price. It was agreed that the remaining 70 per cent should be financed on mort-

On February 7 1977 first and secood mortgages were executed for that purpose. The parties to the first mortgage were the owners and the builders. Payment of the balance was to be made by 14 promissary notes for ¥135m each, drawn the owners in favour of the by builders. That mortgage was as-

signed to a Japanese organisation. The second mortgage was be-tween the owners and the National Bank of Greece, which had guaran-

teed the first six of the owners' promissary notes. The total principal sum contingently secured was 1996m

The stated purpose of the second mortgage was to secure the repayment by the owners of all sums which the bank might be called on

the first mortgage. Both mortgages contained coveoants by the owners to insure on

bull and machinery. The combined effect of the mortgages was that any failure to comwith the insurance obligations under the first mortgage constitued a default under the second mortgage. The policies were for the benefit of the assignees, the bank and ond mortgage under clause 3(g). the owners, in that order of priority. The sums secured by the mort-gages were in yen. Both mortages, however, provided that the vess was to be insured in U.S. dollars "for the full insurable value of the vessel and in any event for not less than 13 per cent" of the amount of the mortgages. The yen was appre-ciating against the dollar at all material times.

The owners insured the vessel for S10m. That was sufficient to cover 130 per cent of the amount outstanding under the first mortgage. The owners failed to meet the first of their promissary notes, and it was paid by the bank. That con-stituted a default under the second mortgage. The bank decided not to foreclose, but to arrange for man-

All powers of control and management were taken away from the owners by a tripartite management agreement, concluded on September 6 1977, between managers, the bank and the owners.

By clause 1 of the agreement, the owners appointed the managers to "act as quasi owners"; by clause 2, the managers undertook to manage "in the best interests of the owner and the bank"; and by clause 3(g) they had a duty to place all hull and machinery protection "in accordance with the respective insurance clauses of the mortgage in favour of the bank."

On April 1 1978 the managers reewed the insurance for the following year, again in the sum of \$10m. By then the yen had appreciated to such an extent that about \$12m would have been required to cover 130 per cent of the liabilities outstanding under the first and second mortgages.

On April 10 1978 the vessel sank and became a total loss. The owners claimed inter alia \$1,911,881. alleging that the managers had failed to comply with their obligations by failing to insure the vessel for about \$12m.

The arbitrator decided that claim In favour of the owners. He con-cluded that, bearing in mind the managers' duties to "act as quasiowners" and "in the best interest of the owners and the bank", they were under a duty to insure the

to pay. It was to be subordinate to ance complied with the second ability was not hull and machinery mortgage alone. The S10m was sufinsurance, but an "insurance of liaficient for that purpose. Both the arbitrator and the judge hilities." He appeared to have been

shocked by the difference between the vessel's reduced market value rightly concluded that on the construction of the management agreeby 1978 and the extent of the insurment as a whole, the managers ance obligations. That difference was irrelevant. were under n wider duty to comply with the insurance obligations un-Renewals of bull and machinery der the first mortgage as well as the policies frequently substantially exspecific duty in relation to the sec-

Any other construction would clearly defeat the commercial intenthe insured value had been proper-ly ngreed the character of the insurtion of the mangement agreement ance remained "on hull and maread together with both mortgages. chinery, It imposed a duty on the managers to protect the interests both of the The judge appeared to have con-cluded that the renewal for \$10m bank and the owners, and neither complied with the owners' obliga-

had any protection against the prior rights of the assignees unless the obligations under the first mortgage were complied with.

The commercial purpose was both of them. That did not provide an answer to the owners' claim. If a person were plain. There was no intention or requirement to effect any separate, to deposit £1,000 in a specified ac-count to cover one liability, and let alone cumulative, insurance under the second mortgage. then made an identical agreement to cover another, £1,000 in the ac-

Only one policy on bull and machinery was envisaged and re-quired. Otherwise, if 130 per cent of the total amounts due under both mortgages had been less than the "full insurable value of the vessel," it would have bad to have been insured for double its value, which

would be absurd. Since the arbitrator did not err in law in concluding that the managers were bound to comply with the owners' obligations under both mortgages, and did not misconstrue their combined effect, the consequence that the vessel should brive been insured for \$12m was a matter for him to decide on the facts. By April 1 1978 when the equiva-

lent cost had risen to \$12m the managers should bave reviewed the cover accordingly. That was the arbitrator's reasoning and it could not be faulted.

The judge concluded that "130 per cent of the total amount secured by complex contractual provisions this mortgage" in the second mortcould in some circumstances constigage, required insurance cover for tute an error of judgment. There the dollar equivalent of the whole contingent linbility of 996m yen upwas nothing of the kind here. There was nothing to suggest the manag-ers ever addressed their minds to der the second mortgage.

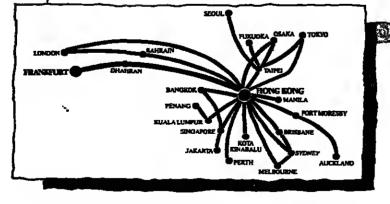
That was fallacious. Given the cothe question of increase in the valexisting insurance under the first ue of the ven. mortgage, that construction would require a substantial measure of double insurance. Also it failed to take account of the purpose of the on that point was dismissed. An apsecond mortgage, which was to se-cure the repayment sums which the peal by the owners from the judge's decision that the management bank "may be called upon to pay and shall pay."

agreement was frustrated by loss of the vessel was also dismissed The total amount secured by the second mortgage was therefore lim-ited to 130 per cent of the amounts For the managers: Mark Saville QC and Simon Gnult (Holman due and outstanding when the ves- Fenwick & Willan)



agement of the vessel.

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Maira for about \$12m. The judge reversed him. The managers had contended full insurable value of the vessel" that their obligation as to insurance and that an insurance for 130 per were fulfilled so long as the insur- cent of the outstanding mortgage li-

sel's insurance fell to be renewed. The judge said that a proper in- ton QC and Simon Crookenden demnity would be limited to "the (Elborne Mitchell & Co)

• By Rachel Davies Barrister

### Third World 'should not bear all sacrifices of debt crisis'

FINANCIAL TIMES

WORLD

CONFERENCE

BANK

#### BY DAVID LASCELLES

THE INTERNATIONAL debt crisis cannot be treated as a narrow banking problem, or one where the IMF and the major countries write the ground rules while developing countries make all the sacrifices, Sir Geoffrey Howe, the British For-eign Secretary told the FT World Banking conference in London yesterday. Debtor nations will only undergo

their painful economic adjustment

if they see signs that the industrialised countries are keeping their side of the bargain which includes: Promoting growth and spreading their interest payments. But since this was impractical he expected its benefits: the Reducing the burden of high inthough there was always the danger of widespread debtor default.

terest rates; Maintaining an effective dia-

Mr Blas Ople, Labour Minister of the Philippines, said debtor coun-tries would have to raise their "thresholds of pain" to the utmost logue. Mr Roy Jenkins, former presi-dent of the European Commission, believed there was no prospect of as they undergo adjustment or until believed there was no prospect of as they under go adjustment to the major alleviation of the debt prob-lem in the next few years and called lem are found. He warned of the for a co-ordinated effort to stretch dangers of political unrest, and repayments out over 30 years and called for a wider debate about pollcies in the countries affected. Debtor countries will have to take reduce interest rates.

Creditor governments must pur-sue responsible growth policies and a new approach to development in resists protectionism to create a the years ahead to bring their curlong-term solution to the debt issue, rent account positions into align-Debtor nations, bowever, must also ment with reduced financing from adopt orthodox monetary and fiscal abroad, Mr Rodolfo Silva, departabove or mount monetary and inscal policies, and banks must remain "wholebeartedly" involved, even if their shareholders bave to pay the price, said Prof Brian Griffiths, dean of the City University Busi-ness School in London in the long term ness School in London.

Dr Erik Hoffmeyer, chairman of The present high level of U.S. in-the Danish National Bank, said an terest rates is not due to the large

budget deficit, but the fact that investors are "locked in" to assets they previously bought as a hedge against inflation Mr. John Rutledge, Chairman of the Claremont Feonomics Institute said.

It could be many years before they can switch into monetary assets and help bring interest rates down and meanwhile the dollar was likely to remain at high levels.

The recent banking crises in the U.S. had prompted bank superviideal solution would involve giving debtor countries "tax relief" on sors to take a broader view of banks, according to Mr Joe Selby senior deputy comptroller, in the U.S. government. Instead of just ex-amining banks periodically, they world to muddle through, now intend to keep them under constant supervision.

The recent nationalisation of the French banks had not led to any drastic upheavals, Mr Jean Defles sieux, chairman of Credit Lyonnais, said. But bankers today have similar fears to industrialists being confronted by greater risks and having to launch new products and back them with appropriate investments.

Giving the view of a small coun-try central banker, Dr Courtney Blackman of Barbados said even a partially successful attempt at a generalised approach to the debt problem would help the two worst affected economies in the region, Guyana and Jamaica, and give a

boost to regional trade. "This would do more for the financial outlook of the remain us than any other likely develop ment in the world of international finance," he said.





legs

goes down.

### TECHNOLOGY

CIRCUIT BOARDS FUNDAMENTAL TO ALL ELECTRONIC GOODS ARE FACING CHANGE

### Why components are coming to the surface

BY GEOFFREY CHARLISH

A BASIC change in the way other side of the board, components are assembled on Surface mounting (SM), uses printed circuit boards seems set Components manufactured with to affect every segment of pads or tabs on their undersides electronics manufacturing from or edges and these are soldered telephone exchanges to the directly to the circuit pads, home computer. This apparently simple charge

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TISIS

The technique, called surface is having far-reaching effects in mounting, is already in use in terms of size, cost and relia-Japan for consumer electronics, bility. and in the U.S. General Motors is a major user for car systems like radios. In the UK, GEC, Plessey, Racal, STC and others are planning products, initially

Surface mounted components cost 1.2 to 1.5 times as much as conventional components, but only because high volume production has not been reached.

in telecoms, that will be smaller, lighter, more reliable and cheaper to make. Many believe 1985 will be the year in which numerous pilot projects become production lines.

Normally, holes are drilled and the wire leads or legs of the components are pushed high volume production has not through and flow-soldered to yet been reached. No lead copper pads, which are part of bending or cropping is needed the wiring track pattern on the however, and the assembly pro-

cheaper. tional costs.

face mounting is probably more significant. For example, there are no wire leads, which can vibrate and fatigue in some For example, the legs protruding from integrated circuits (there can be 40 or more) are traditionally spaced by 0.1 inch and have to be robust enough applications and can be electric-

ally unsatisfactory due to their inductance. unctance. The number of p-noles is reduced and the of interconnections can be down. Boards are thianer over-all, and fewer are needed. In the components are fed into placement machines from plastic film encapsulated reels, protecting them up to the moment of assembly. Above all, smaller the placement and soldering processes in surface mounting are, says Stark, ten times more reliable. In 1980, some 40 per cent of ments were being inserted motional boards by it manually. By in three or four designs. They are all going into consumer products, but managing director bas ' tor tor and believes this will account bo' e' tor and believes this will even-tually reach 70 to 80 per cent in GEC, the Marconi Research in gue is applied GEC 7 for automatic insertion. So although the semiconductor chip itself may only be 0.25 inch square, the final package might be 2.0 x 0.5 inch, simply to nodate the two rows of Automated surface plecemen

Antomated surface piecement is a relatively gentle process. It allows semiconductor packages of half the size with smaller connection tabs spaced by only 0.05 inch. In addition, space is no longer taken by leds pro-truding from the ends of resis-

tors and capacitors. The board, in some cases, can be reduced to a quarter the conventional size and the weight At the moment, mounted devices cost 1.2 to 1.5

times as much as conventional components, but only because figures will be 50 per cent and 40 per cent. Development has been quicker in Japan, where some 20 per few boards on a trial basis, and Development has been quicker in Japan, where some 20 per cent of components are believed

cess is inherently faster and to be made in SM form, most offers 7M components. Although cheaper. going into consumer products. Peter Du Feu, a manufacturing beaper. Dr Alex Stark, Mullard's SM In the U.S. the figure is 5 to 10 expert, thinks SM board costs per cent and Europe two to are ebout to drop below conven- three. In the U.S., Delco (General

But he thinks the greater Motors) has fully embraced the integrity and reliability of sur- technology and is believed to technology and is believed to be consuming several million SM components daily. SM

There are probably only a few dozen S<sup>th</sup> board designs in pro-duction in the UK, and secrecy abounds. But STC for example, quicker in Japan, where uses it in a pager and in the Viscount display phone. A production untt bas started some 20 per cent of

components are believed to be surface mounted

Marconi

Plessey is closely studying surface mounting, particularly for digital communications circuits. It offers components for radar and radio equipment. The computer industry is also

on the verge. ICL for example, has a pilot facility at Kidsgrove, bas one small board in produc-tion, and expects to be making boards with 200 to 300 components, entirely in SM, late in At Marconi Secure Radio Systems at Hill End near Dun-fermlin in Scotland, two boards will be going into production early in 1985 for the Scimitar

and Minstrel band-held armed forces communications sets the company is manufacturing as a Electronic Devices private venture.

«?IN specialist in the FAST (factory CONVENTIONAL PCB automation systems) project at Rugby believes there are still Cylindrical resisto some problems with SM, includ-In Sector ing board testing, he thinks 1985 will be "take off" year for Development has been

### How surface mounting works

spacing 0-05 inch 

Leg spacing 01 inch

SURFACE MOUNTED PCB

SURFACE mounting emerged SURFACE mounting emerged 20 years ago with hybrid cir-cuits, in which thick film resistors were fired on to ceramic substrates and other components were added. It is an alternative to integration on silicon for low volume or consilicon for low volume or special environment applica-

Later, surface-mounted leadless chip carriers cut the space occupied by ICs and re-reduced PCB costs. Some 20 machine makers

have emerged to surface-mount components — the MPS500 from Emhart Dyna Pert Precima in Colchester, for example, is widely used. The final development is the total conversion of the PCB to SM. Siemens and Mallard/Philips, among others, offer both placement equipment and SM comonents - onc Philips

machine can place 0.5m com-ponents an hour. Many machines place 2 few

H

thousand components an hour and might cost between \$40,000 and £130,000. Top end machines can place com-ponents 32 at a time. Machines can be software con-trotted for moderate runs of many types of board, or hardware controlled for high volume production of a few types. Mixed boards will be com-

mon until all components are available in SM form. In production, the pad areas are screen printed with solder paste, the components placed and the board heated (with lufra-red for example) to solder the joints. Then, conventhous components are auto-inserted from the top and the board is wave soldered underneath.

### IEM HAS succeeded in pull-T T T T TOT T T T T ing experimental eight-inch diameter silicon crystals at its East Fishkill, New York site.

Silicon

Large

wafers

Five-inch wafers, com-monly used in the semicoa-ductor industry, can accom-modate about 850 chip sites. The experimental eight-inch wafers derived by slicing and polishing the bigger crystal each have space for 2,900 chips. Since the manufacturing processes are similar whatever the size, an increase can be expected in produc-thvity and a reduction in the

overall cost per chip. One of the company's advanced semiconductor and

vanced semiconductor and packaging stee, East Fishkill bouses the industry's biggest crystal pullers The diameter of the crystal is the result of careful con-trol of both the temperature of the moliten silicon from which the crystal is pulied, and the speed of pulling. The process takes about 24 hours process takes ebout 24 bours and IBM is using its own Advanced Control System for process control.

### JAPANESE SUBMARINES 3km under the sea

ENGINEERS in Japan plan to vehicle via an optical fibre develop by 1986 a remote cable. Information from the sea controlled submarine vehicle bed for example picture signals that will travel up to 3 km from a TV camera, will be sent below the sea surface. The Dolphin-3K, under con-route.

Struction at the Japan Marine Science and Technology Centre in Yokosuka, could play a part in any exploitation of underseas minerals that takes place in the late 1980s. It will have a mechanical hand with which the machine could take samples of metal-rich nodules that litter the bottom of parts of the Pacific Ocean. The device will have a rudi-

mentary ability to visualise its aurroundings with TV cameras. It will avoid obstacles with sonic sensors linked to a

computer. Dolphin will be a development of several items of sub-marine hardware devised at the marine centre since 1978 but will operate at greater depths. The device will be shaped like a large crate about 3

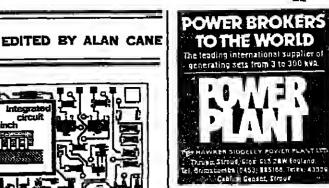
metres long. An operator on a ship will send commands to the

Small thrusters, powered by a hydraulic unit, will propel the vehicle. In other developments, workers in Yokosuka plan to develop an undersea machine that will work independently of that will work independently or commands from the surface. They are also working on a machine that would operate at 9 km under the surface. In previous work, the re-searchers have built small vehicles known as JTV-1 and JTV-2 that swim 200 metres under the wave tons. These have

under the wave tops. These have been used in offshore work, for example to find out the depth of seas around Antarctica.

The marine centre has developed a deeper version of these vehicles called Mosquito and is working on yet another craft, christened Hornet, that will send information to the sur-face from a depth of 500 metres. PETER MARSH





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### COMPUTER SYSTEMS Machines that give professional advice

ICL AND Systems Designers International (SDI) have jointly spent £5m developing a know-ledge-based computing system which will be marketed respec-tively as Adviser and Envisage. The idea of the system is to capture not just the facts, but the experience and judgments deployed by specialists, so that others can solve problems and be given advice ou a screen and

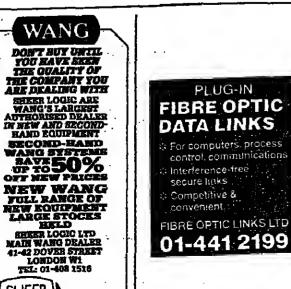
"Within five years computer systems will have to incorporate knowledge to aid their sale."

others can solve problems and be given advice on a screen and keyboard terminal. Adviser is not an "expert" tical to the survival of capsulates, say, a doctor's or an engineer's professional know-

Lanum believes the world market value of knowledge based solutions will grow from \$40m out of the present total

\$40m out of the present total of \$10bn for software and ser-vices, to \$10bn ont of \$60bn within the next ten years. The ICL Adviser runs on the company'e VME/2900 compu-ters, while Envisage runs on DEC VAX machines. ICL will be offering the system on isonalier machines from mid-

kedge, but is more concerned with allowing clerical, sales and edministrative staffs to call np appropriate specialised know-ledge to do their jobs quicker or better. Guidance in the use of com-plex administrative regulations is a good example, or help in making the best choice of a pro-duct or service when answering customers' telephone inquiries. The system has been designed to allow the specialists in a com-pany to design applications themselves, often without the help of computer personnel. It is a "shell" software system



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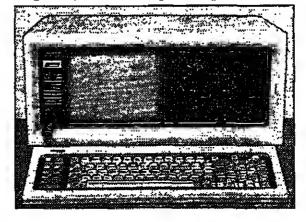
other computer in its field. Which is why it took less than two years for Compaq to be second to IBM\* in the business micro-computer market in the States.

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advantages that Compaq possesses. Like true compatibility with IBM\* PC hardware and software for instance.

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Before you put your head in the sand.



### THE MANAGEMENT PAGE

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Christopher Lorenz explains how the U.S. chemicals giant is learning how to speed up new product and market development WHEN Paul Oreffice, the ener-setic president of Dow Chemi-cal, declared three years ago that by 1987 half the company's earnings would consistently be coming from "specialty" pro-ducts, outsiders reacted with a cynical smile. highly qualified technical sales On both the technical and commercial sides of the organi-sation, there has been a careful appointment of unit managers with a record of unusual drive and resourcefulness. This is in sharp contrast from previous policy, where responsibility for new products tended, as in many companies, to be given either to inexperienced young The key to Dow's move to-wards what has been dubbed managers, or to older people who had failed to make the grade into management of ony some purists insist on calling it) has been its rejection of the most common yet ineffective method of internal corporate of the major product groups. • "Future awards" bave been diversification: the creation of established for projects that quickly reach a profitable turn-5 over of \$1m. Several small "beachhead" acquisitions have been made, in order to gain access to new technology and new markets. These include the setting-np of a number of joint ventures with small companies in several countries, including Canada, Italy and Switzerland, Just about the only obvious measure which bas not so far - e been taken is a formal change in the performance appraisal and incentives process for individual managers, so that they are more clearly rewarded for doing risky new things, rather than for short-term per-formance

Paul Oreffice: trying to create an organisation that is as flexible as a collection of small compani-

to publicise the consequent research and marketing to he- example in the establishment the U.S. (its "innovation deveimportance of getting more deeply into specialities.

As Andrew Butler, commercial vice-president of Dow U.S.A., points out, " it takes a long time for that sort of objective to development.

The changes include a be-lated split last year in Dow's become really rooted among operational people." So top management needs to signal its commercial organisation in the U.S.: this now consists of three commodity departments (plas-tics, organics, and inorganics, all of them equivalent to "divisions" in many other companies); and three in inmanagement needs to signal its commitment with actions, not just with words. "The cor-porate body language has to be consistent, as Butler puts it.

Dow's drive for diversification -a term which it confusingly companies); and three in in-dustrial specialities (urethanes, coatings and resins, and speciality resins and fabricated products). The consumer pro-ducts group was already separate, as were pharmaceuti-cals and agrochemicals. often uses to mean "innovation "-certainly involves all sorts of corporate body lan-guage, in the form of action at the top of the body, as well as ower down. It has formally revised its

Butler, the prime mover be-hind the split, says it was needed "to allow two very dif-ferent sorts of businesses to be corporate strategy, with "down-streaming" towards the ultimate consumer now a prime goal. Dow is no longer bashful managed differently. One re-quires very careful manageabout competing with its cus-tomers, says Frank Popoff, president of Dow Europe: "I meut, the other a bounding, jumping, leaping type of approach. The change was uecessary in order to give both won't abdicate any market to cultures the chance to flourish."

come more focused, and to of more precisely focused multi-foster closer collaboration he-tween marketing and product of technical, production and marketing staff.

 There bas been a shift of R and D projects, funding and staffing away from the refinement of existing chemical pro-cesses towards the development of more product applications, as well as towards work on new specialities. At the same time R and D spending has heen in-creased, from \$232m in 1978 to \$500m in 1984.

"Discovery research and deve-lopment" functions have also been established.

formance. Andrew Butler sees the heginnings of a change in the way the existing appraisal and rewards procedures are applied, in that quite a number of unit bosses are starting to encourage innovation and to tolerate failure. "If you don't tolerate failure. "If you don't have any failures, you're not doing enough," he emphasises. "You mustn't always crucify a guy because he fails." The complexities of introduc-ing a more systematic approach to more regulated entrepresenting cial side of the organisation into acting as market developmeut managers rather than as mere salespeople. Jack Flynn, Fletcher's successor as innova-tion development director, describes this as "searching for needs, uot just for orders," to rewarding entrepreneurship are daunting. But Butler says exploratory investigations into and claims that "what each unit knows about its markets is possible processes are being made. Several of Dow's senior managers certainly think some-

formance.

**Company Notices** 

thing of the kind will definitely In the speciality departments, commercial responsibility has been pushed down from a comprove uccessary to reinforce the current flush of enthuslasm for Paul Oreffice's goal of creat-ing "an organisation that allows Dow to act as a small mittee structure to a new level of individual directors, have been given unusually high company. growth targets.

shortly will examine the pro-gress being made towards this objective within Dow Europe, In order to improve the com-pany's reach into the speciality marketplace, there has been a where the maverick head of the marked restructuring of the sales organisatiou into special-There have also been struc- necessary. This has been one sales organisation into special- "diversification department" tural changes at much lower of the roles played by Dow's ised units with narrower pro-levels of the organisation, for corporate new ventures unit in duct lines, and much more remorkably rapid change.

EDITED BY CHRISTOPHER LORENZ

Financial Times Friday December 7 1984

Behavioural medicine, A, Cott and J. Gandz in Business Quarterly (Canada), Summer 84 (84 pages, tables)

Describes, with a case example at St. Joseph's Hospital in Hamilton, Ontario, an approach to persistent absentees which separates mediabsences which separates medi-cal from motivational factors and presents employees with remedial action on an "improve, or leave" basis, claiming rapid payback due to improved per-formance and reduced absence.

don's for automotion covers gramme-making; covers creativity, visual clichés, buying programme length,

Presents a host of examples of disastrous product launches abroad-in most cases naming both product and company; des cribes various galles that caused offence or created misunder-standing, with failure to sell as

the consequence; demonstrates how domestic promotional strategies cau be unworkable overseas, and suggests lines of research essential/desirable before attempts are made to penetrate foreign markets.

subject of customer complaints which should be encouraged rather than minimised. Various German and U.S. investigations are cited to make the point that manufacturers/traders stand th gain from paying attention to complaints and dealing with them in a manner that will, if them in a manner that will, if anything, increase customer loyalty to products. There is a separate account of the com-plaints policy of Braun AG, the electrical manufacturers, whose customer relations department reports direct to top manage-

These abstracts are connensed from the abstracting journa's published by Anbar Manage-ment Publications, Licensed copies of the original articles may be obtained at E3 each (including VAT and p+p; cash with order) from Anbar, PO Box 23, Wembley, HA9 8DJ.

in other words- to such an extent that each unit hecomes its own cultivator of new ventures. A small corporate new ventures staff has a vital part

dramatic change in direction nwes a certain amount to a spate of devertisments of commodity chemical husinesses all over the world, from the U.S. to Japan. It has also been added by a few major acquisitions, notably the ethical drugs husia new venture group " is a sure way to failure," he insists. ness of Richardson-Merrell in 1981. After the \$250m purchase

For the company so late into the speciality market place-Dow's basic business has always been the supply of hulk chemi-cals to other chemical com-

But the most fundamental factor for the future of the company is Dow's apparent dis-

Here was yet another chief executive with grandiose ideas about moving away from low-margin commodity products into high-return husinesses, but

with little understanding of how hong it takes for a large com-pany to diversify so radically— f, indeed, it can make the trans-

mulated. At that time speciali-

ties accounted for less than a quarter of the company's pro-

nation, new products are start-ing to flood through its veins. In the financial year which

ends this month there has been

a surge in its basic chemicals

business after several years of

recession, yet about 40 per cent

of its earnings will be accounted

for by specialities—such things as a new bathroom cleaner

called Tough Act, polystyrene labels for domestic bottles, and

plastic foam

statements

formation at all.

diversification: the creation or a special "new venture group" to develop and nurture a port-folio of innovative projects while the rest of the organisa-Many people within Dow had been just as sceptical in 1978, when the objective was first fortion plods on unchanged. Such a strategy almost invarisuch a strategy almost invar-ably founders on transplant problems: the venture group's new projects, or the group itself, are rejected by the pre-Yet over the past few months it has emerged that the Michi-gan-based multinational, which gan-based murmational, which with sales of \$12bn is America's second largest chemical com-peny after du Pont, is well on course. After a decade of stagvailing corporate culture. After several years of frustration and

um-sized busines

"corporate entrepreneurship" (or "intrapreneurship," a

disappointment, the group dies quietly, forgotten in a corner (see "All too easy to stifle it to death," this page, March 30). Instead, Dow has chosen a much more ambitious and difficult route: to try and change the attitudes of managers throughout the organisationthe company's very "culture."

building materials coated with to play, but mainly as a device to spark the process of change. Dow's ability to execute this "The magic is not to relieve the rest of the organisation from the need to spawn new ventures, but precisely the reverse-to get everyone to do it," says Bill Fletcher, the first of Dow's U.S. new ventures unit the recently retired). Confining the task to

of Morton Thikol's Texize speci-alty division last month, other takeovers may be on the way, to judge from Oreffice's public

panies-this strategy was a par-ticular challenge. Setting the paniesshift in motion has required pany is nows apparent us-covery of a magic formula for much more than just a syste-which large companies through-out the industrialised world are desperately groping: the ability everyoue's attentiou on the any customer." to shake up established corpor-ate cultures and bureaucracles, chemical industry's slowdown various levels into smaller with their crippling disdain for from its traditional annual units, so as to improve mana-risk-taking and their worship of growth rate of 7 per ceut, and gerial motivation, tn encourage

### **Dow discovers 'corporate entrepreneurship'**

Management abstracts

Keeping and reduced abarney, Keeping and reduced abarney, Clayton in Audio Visual (UK), Sept 84 (24 pages, illus.) The former launch manager for BL Cars lays down do's and don's for audio-visual pro-gramme-making; covers

hardware, programme length, volce quality... How to avoid business blunders abroad. D. A. Ricks in Busi-ness (U.S.), April/June 84 (84 pages)

Hore complaints from satisfied customers. U. Hansen and others quoted in Absatzwirt-schaft (Fed Rep of Germany), September 1984 (3 pages, in German, English version available) Summarises a seminar on the

ment, These abstracts are condensed A further orticle on this page

the second se

been taken to speed the flow of products into the marketplace, including the creation of avenues for funding and supporting early product develop-ment outside the normal

departmental structure where

looment department") and hy Its European counterpart (the diversification department "). • Various steps have been taken to galvanise the commer-

### gineers with special skills have • On selected projects, special reporting structures have beeu created which bypass up to two levels of management. levels of management. Ancillary measures have

Large hatches of young development chemists and en-

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to the notice of declaration of dividend advertised in the press, ner 1984, the following information is published for the guidance are warrants to bearcr.

The dividers of all a scenario we share was declared in South African corrency. South African non-resident shareholders' tax at 4.945185 cents per shara will be deducted from the dividend pavable in respect of all share warrant coupons leaving a net dividend of 30.054815 cents per share.

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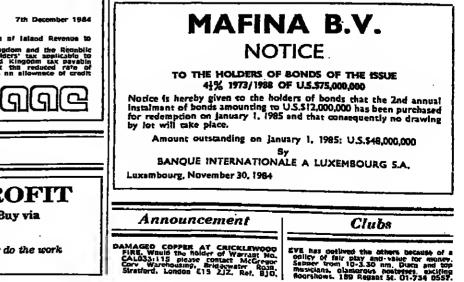
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7th December, 1984

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### THINK COMMUNICATIONS, THINK ITT XTRA.



14

Financial Times Friday December 7 1984

### THE ARTS

Arts Week F S Su M Tu W Th 7 8 9 10 11 12 13

### **Opera and Ballet**

#### PARIS

Die Entführung ans dem Serail alter-nates with Tosca, conducted by James Conlon. The title role is sung by Hildegard Behrens and thal of Consenders' hellowing Beneralized Cavaradossi by Luciano Psvarotti. Paris Opéra (742.57.50). Operetta Season at the Théâtre Musi-cal de Paris: La Fille de Mme Angou alternating with Strauss's Fleder-maus combines higb musical quality with the formeral of a treat theory

with the fireworks of a great show. TMP-Chatelet (261.19.83). NEW YORK

New York City Ballet (New York State Theater): The Elst season will have the 100th performance of The Nutcracker during its month long per-formances. Lincoln Center formances. (870 5570).

### LONDON

Boyal Opera, Covent Garden: The new production of Der Rosenkavaller mounts s glittering roster of names: Solis as conductor, John Schlesinger as producer and a cast led by Kiri te Kanawa (240 1066). and Agnes English National Opera, Coliseum: Josephine Barstow's performance as the 300-year-old heroine of The Makropulos Case is only the most

ing reason for a visit to the revival of Janacek's most fascinating opera. Other ENO revivals include a

#### Exhibitions

#### WASHINGTON

National Gallery: Old Master Drawing from the Albertina, celebrating two centuries of Austro-American rela-tions, includes Dürer's Praying Hands among the 75 works by Frag-onard, Rembrandt, Pieter Bruegel the Elder, Lucas Cranach the Younger, and others, Ends Jan 13, Hirshhorn: The entire third floor of the gallery will be filled with 157 works of painting, sculpture, con-structions and installations done in the past decade by 147 artists in celebration of the museum's 10th anniversary, Ends Jan 5.

#### VIENNA

Medieval Art from Serbian Monaster-ies: This exhibition from Yugoslavia of religious art from Serblan Medieval Monasteries covers the period from the 10th to 17th centuries and includes some intricately worked silver book covers, challess and in-cense burners. Gilded icons are also of interest, showing a surprisingly modern angular technique io depict-ing garmeots. Other exhibits in-

clude illuminated manuscripts and coples of frescoes, and all show a fascinating intermingling of eastern and western artistic influences. Museum of Mankind, Ends Jan 20.

well cast Cosi fan tutte led hy Felici-ty Lott, Jean Rigby and Adrian Mar-tin and the celebroted Freudian reinterpretadon, by David Pount-ney, of Dvořák's Rusaika, with Ei-lene Hanaan in the title role. west, aircoren by David Pointney. Karaa Armstrong and Henk Smit, with the Utrecht Symphony Or-chestra and the Netherlands Opera Chnic conducted by Bobumil Gregor (Sat). (558800). Repeated Tue and Thur in Amsterdam, Stadsschouw-burg (342311). ney, of Drorák's Rusaika, with Er-lene Hannan in the title role. (8363161). Welsh National Opera, Dominion: The closing two performances of the lat-est WNO London short seasoo are given over to Janacek's From the House of the Dead, one of the com-Rome, Teatro dell'Opera: A new pro-duction of Don Giovanni by Jerome Savary conducted by Peter Msag, has Silvano Carroli in the utle role. ments and the new already much-argued-over Don Giovanni produc-(46.17.55). tion by Ruth Berghaus, conducted by Charles Mackerras. Milan, Testro alls Scala: Season opens bere according to tradition on Dec 7 with a new Carmen conducted by Claudio Abbado with Goyaesque

#### WASHINGTON

Washington Opera (Terrace): The season continues with a new produc-tion of La Sonnambula and a revival of Menom's The Medium & The Telephone. Kennedy Center (254 3770). Joffrey Ballet (Opere House): A fort-

night's mixed programmes inaugu-rates an American Ballet festival, starting with 15 ballets by seven choreographers by the Joffrey com-pany. Keanedy Center (254 3770). CHICAGO

Lyric Opera (Civic Opere): J. Patrick Raferty is Figaro and Kathleen Kuhlmann is Rosina in Il Barbiere di Siviglia and Eva Marton cootin-ues io the new production of Ri-chard Comments chard Strauss's Die Frau ohne Schatten; Carmen stars Alicia Nafe and Maurizio Frusoni as Don Jose. (3322244).

### NETHERLANDS

Scheveningen, Circus Theatre, A Stravinsky programme from the Nation-al Ballet: Agon, Monumentum pro Gesualdo, Movements for Piano and Orchestra (Ali Balanchine) and Orfeo (Toer van Schayk). (Tue). (558800). Repeated Wed in Utrecht, Stadsschounburg (310241), and Thur in Eindhoven, Stadsschouwburg (117555). cheveningen, Circus Theatre, Neth-erlands Opere with La Fanciulla del

Metropolitan Museum of Art; Te Mao-

Van Gogh in Arles (Metropolitan): The

first important exhibit to catalogue

### NEW YORK

n begins its U.S. tour showing the naive treasures of New Zealand, with a rich Polynesian heritage of stone and ivory oroaments, bone and stone weapons and wood carving, Ends Jan 6. Museum of Modern Art: Primitivism In 20th Century Art has much good modern work by Picasso, Max Ernst, Brancusi among many others as well as striking tribal objects from Asin, Africa and North Ameri-ca, but the theme itself seems meant to full criterio grant that par meant to fill space more than pro-vide a better understanding of the primitives or the moderns, Ends Jan

the annus mirabilis in 1888-89 wheo Van Gogb was inspired by the South of France is covered in 146 works, including paintings, drawings and letters. Special beketing with speci-fied outry times reflects anticinated. fied entry times reflects anticipated ticketing with specified entry times reflects an beipated crowds of up to half a million. Eags Dec 30 (570 3970).

### Music

### ZURICH Tonhalle: Kammermusiker Zurich. Reger and Bach (Mon): Zurich

west, directed by David Pountney

ITALY.

cisuato Abbado with Goyaesque scenery and costumes by Piero Fag gioni, Shirley Verrett in the title role and Placido Domingo and Jose Carreras. (80.91.26).

WEST GERMANY

Berlin, Deutsche Oper. Tosca, sung in Italian, has fine interpretations by

Janis Martin and Giorgio Lamberti. Der Barbier von Sevilla bas Ann Murray and Rüdiger Wohlers in the main parts. The Magic Flute fea-tures Barbara Greeoberg and Ha-raid Stamm. (24381).

Cologne, Opera: The Magic Flute has Krisztina Laki and Motthias Hölls

BRUSSELS

VIENNA

sound reflets, Ends van 15, ologne, Römisch-Germanisches Mu-seum: The Treasures of San Marco'

bas arrived. Forty-three pieces rep-resenting the best of antique, Islam-

ic, Byzantine and occidental art from the world's biggest church treasure. Ends Jan 27.

ITALY

combs and cooking pots lo the coo-tents of Tutankhamun's tomb. Uotil

TOKYO

l'Amour me dit. (2182015).

roles, (20761).

Arts (5125045)

reras. (5324/2655).

Chamber Orchestra with Jean Pierre Rampal, flute Milhaud, Bach, Quantz and Stamitz (Tue): Munich Philharmonic Soloists, D.o. rak and Mocart (Wed): Proger String Quartet. Mozart, Janacek and Smetana (Thur).

#### WASHINGTON

National Symphony (Concert Hali): Andrew Lutton conducting, Weber, Schumann, R. Strauss, Respighi (Tue) Kennedy Center (254-3776).

#### NETHERLANDS

Amsterdam Concertgebouw. Str Colin Davis conducting the Bayerischer, Rundfunks Symphony Orchestra. Berliot, Debussy, Dvorak (Tuel: Concertgebouw Orchestra under Bernard Haitick, with Jean De-croos, cello. Brahms, Martin, Bee-thoven (Wed and Thur). Recital Hall Wadt Payer Frankin alano, Gynczy (Wed): Peter Frankl, plano, Gyorgy Pauk, violin, and Ralph Kirsch-baum, cello, Plano trios by Mendels-Beethoven. Schube: sohn. (718345).

#### BRUSSELS

as leads. Hänsel and Gretel is worth a visit, with Edith Kertesz-Gabry Belgian National Orchestra conducted by Mendi Rodan with Pierre Alain Volondat, pano. Schumann and Rimsky Korsakov, Palais des Beaux Arts (Mur.). 1522 5945). and Marijke Hendriks in the otle

Demnation of Faust by Berlioz con-ducted by Sylvain Cambreling with Jose Van Dam. Palais des Besux Anadeus Quarter: Hayon, Britten and Beethoven, Palais des Beaux Arts (Tue). Bayerische Rundlunks Symphony Or-chestra conducted by Colin Davis, Berlioz and Deorak (Thur). Cirque Boyale XXth Century Ballet di-rected by Maurice Béjart. Ce que

CHICAGO Staatsoper: Macbeth conducted by Chicago Symphony Chorus (Orchestra Hall): Traditional Christmas concert with works by Britten, Praetorius Sinopoli; La Bohème conducted by Lombard with Ghazarian and Carreras, (3324/2653). Volksoper: Donizetti's Daughter of the Regiment conducted by Bauer-Theussi, Merry Widow, Smetana's Bartered Bride. (5324/2657). Poulenc and others, conducted h Margaret Hillis and others (Tue) (435 8122). (hicago Symphony (Orchestra Hall): Dariel Barenboim conducting, Bee-thoven, Debussy, Scriabin (Thur). (4358122). greeo jade and glass, a sepulchral crown, bronze figures and tomb-stone reliefs, Ends Jan 13.

#### VIENNA

Counterpoint Ensemble led by Peter Keuschnig, Stravinsky, Debussy, Berg and Bartok, Musikverein Brahms Saal (Mon. (538159), Haydn Trio , Mozart, Schumann and

Venice: Palazzo Ducale: The Treasure enice: Palazzo Ducale: The Treasures of the Pharaohs – a nich and fasci-nating exhibition of more than 60 works (lent by the Cairo Museum) – covering over 3000 years, and con-taining an enormous variety of ob-jects from mundane things such as Orchestre Colonne conducted by Ja-nos Kujka with Gerard Pouler

End of December, Venice: Museo Correr, Drawings by Orchestre National de France conduct Gian Antoolo and Francesco Guar-di, a delightful exhibition of 250

drawings by the brothers, including, among the subjects, the famous views of the city by Francesco. (Closed Toe). Ends Jan 31. Contemporary Japanese Art, the annu-al exhibition known as the Nitteo (the largest in Japan) of contempo-

Gremlins, directed by Joe Dante Ghostbusters, directed by Ivan Reil-Christmas Carol, directed by Clive Denner The Pope of Greenwich Village, derected by Stuart Rosenberg

Deep in small-town America sometning appalling surs. It chatters and gibbers and southes and hell; aises-it bites and flashes and breakdances. It

of E7. Cuddly movie monsters have Mendelssobn, Konzerthaus Mozar Saal (Tue), (721211). been replicating themselves by the thousand in recent years

**ETAR** 

PARIS

nos Kujka win Gerarn Pollet Brahms, Mendelssohn (Moo), Salle Pleyel (561.06.30). Siegfried Jerusalem recital, Siegfried Mauser, piano: Mahler, Strauss, Schumann (Mon), Theàtre de l'Athe-née (142.67.27).

Orchestre National de France conduct ed by Pierre Boulez, Pbyllis Bryn Julson, soprano: Debussy, Havel, Amy, Messioen (Mon), Theàtre des Champs-Elystes (123,47,77).
Ani and Raffi Petrossian, piano: Brahms, Ravel, Arensky, Stravins-ky (Tue). Salle Gaveau (563,20,30).
Gaecane Prouvost, violio, Abdel Rah-man el Bacha, piano: Bach, Prokov-fiev, Schumann, Ravel (Wed) Salle Gaveau (563,20,30).
are even preceded by a phan-tom entenie as Joe Danle's splendid black comedy swings into action. Inventor Hoyt Axton, roaming Chinatown. buys his son a forry little pet called a Mogwal, Resembling a doe-eyed, long-eared Pekinese, he comes in a box and charms all hearts. But he also comes with the nid Chinese vendor's strict instructions; do not get

NEW YORK

(Avery Fisher): Richard Westenburg

musical director. All-Handel pro

LONDON

Scene from ' Ghostbusters ' Cinema/Nigel Andrews

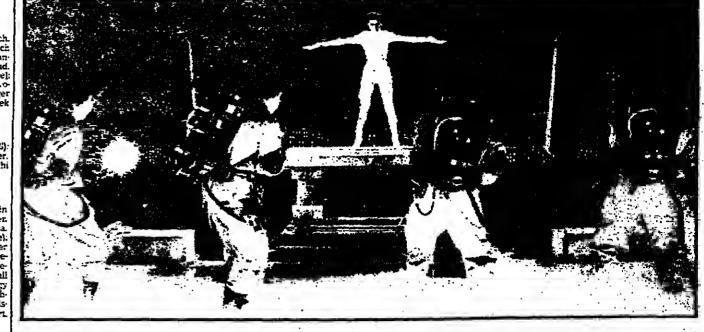
spook operatives setting up their own exorcism firm, ond their first client is beauloous Sigourney Weaver whose aparlcrack, splutter!-ont crawl the hideous bat-cared dragons, two feet high and wilh teeth like Kirk Douglas, and the town's ment is coming apart at the psychic seams. Her fridge hosts welpurgisnacht is under way. Helmer Dante (who directed the story of the eartoon-terrora toblenn rirant from Dante's Inferno, or something similar, ised family in The Tuilight Zone) and writer Chris Columand soon she herself is " pos-sessed " by one of the spirits bus spend the rest of the movie scratching their heads, like mad Inside, is a gremlin. And Gremlins is scientists with dandruff, over the revenge of the Hollywood how to keep the gremlins busy id on the superego saintliness unul the last-reel showdown. wisdom, their wisecracks and their ectoplasm - trapping machines (which resemble long-Mostly their ingenuity ensures terrific momentum. We giggle tube vacuum cleaners in an happily when the monsters in-vade a saloon bar and turn it advanced state of sexual exciteinto something between Dodge lo pick our purses in loyshops round about Christmas. The Cily and 42nd Street (hatled gremlins poring over poker, time had to come when lovable burping vacuum-cleaners 1R2-D2) and lovable pop-eyed pygbibulous gremlins sinking like sunsets, behind the bar counter). And we giggle even more happily when they take over a cinema showing Disney's mies (ET) were overthrown by grislier guernilla variants. The gremlins of Gremlins are the Snow White, creating the greatest audience of subhuman Khmer Rouge of the cuddly lov age; and their nightmare antics weirdos since The Muppet Show. are even preceded by a phan-tom entenie as Joe Danie's

The film is often in a fcarful tug-of-war with ilself over how ning, is spectacular but sus-penseless, bud bul laughless. grand guignol to go without sacrificing the kiddy trade. The sacrificing the kindy trade, the penseless, Fud but laugness. Follockingly reads the riot act most electrifying scene also. Far better are the early as Christmas Past, Frank happens to be the most grue-some: when Muni defends her about and non-sequitur in a a piece of stricken Camembert kitchen against invading grem-haunted library ("Listin! You as Marley and acts just as pun-lins, scrambling one in a smell something?") or haunted genty, David Watner is long-blender, micro-waving another hotel (with a cackling green leggedly and lovable as Bob and cenerally behaving like gremin who floats the corrie Cratchit and even Aorbory and cenerally benavin gremiin who noals the corristrict instructions; do not get famy Cradock caught with her dors eating icft-over room ser- Walter's Tiny Tim, pert and un-light on him, do not feed him apron down in the Alamo. But vice). And better still is any cloying, encourages one to have for all the film's switchbacking and every scene in which Bill merry and lower the shotgun. tone, its vitalily and perverse hilarity win ibe day. ET will Murray (of Coddyshack and Stripes) is given his skewnever seem the same, nor will lipped comic head. Murray's any of those large gift-wrapped facial mugging is both sly and screwball, sleazy and scatterbaxes we're going to get this brained, and bis one-liners pop up with the minty freshness of Christmas Ghostbusters also takes a ver- a Tic-Tac dispenser. "You don't tical purler into the waters of act like a scientist," puzzles the if vouchsaled an after-hours comedy-horror, hoping to pre - possession Sigourney, snack. Soon Mum (Frances splash us with an equal faceful "You're more like a game-show

Lee McCain) is gaping in of guignol and guffaws. Scene: host." Ghostbusters, one feels, horror as she stumbles upon New York. Time: Now. Bill could have left nut the guesis, giant slimy pods in absent Murray. Dan Aykroyd and the ghosts and the giamoes and Sonny's bedroom. And soon— Harold Ramis are the three anti- given Murray the whole gameshow.

It has always been my desire, when reading A Christmas Carol, that one of the characters should want outside Tiny Tim's house with a small but service able shotgun ond ensure that able shotgun and ensure that the poor child obtains imme-diate relief from his, and nur, suffering. This does not happen in Clive Donner's new film of the Dickens tale, alas, and we shall probably bave in wait (ill Sam Peckinpab films Dickens before. Will our heroes mutster their

before it does. However, lachrymogenic sen-timent is kept splendidly al bay for most of the movie, and this ment) in time to save Weaver and the world? Unlike Grenzlins, Ghost-busters suffers from a nasty dose of diminishing returns. is much betier than Donner's last Dickens effort, Oliver Twist. The pricier and pacier the Special Effects — and the film cost a princely \$32m — the less George C. Scott eclipses memories of his damp Fagin with a flery Scrooge, full of the plot seems able to keep up peerish wit and cantankerous with them. The climax atop pragmatism. (When told by Weaver's Gothic skyscraper Marley of the forthcoming block, where slone monsters sequence of three ghosts, he are coming to life amid a cosmic barks: "Couldn't they all come lasershow of hunder and light-ning, is spectacular but sus-penseless, bud but laughless. rollickingly reads the riot act even Anthony One would raise it again, however, for The Pope of Greenwich Village. New York's vibrant Bohemian quarter is in the grip of worse terrors even than gremlins, ghosts or senti-mental colldren. For the streets are alive with the sound puzzles the nf Italian-American method Sigourney, acting: as Mickey Rourke and game-show Eric Roberts play the two get-rich-quick youngsters trying to Safecrack their way ont of the Little Italy slums, Daryl Hannah (undressed to the nines) pleads and gurgles discouragement as Rourke's girl-friend, and fish-lipped Burt Young is the Mafioso fatso they accidentally and near-fatally CTOSS. There are raised volces, lowered blinds, screeching cars and falling bodies. There are severed digits ("The Bedbug took my thumb, man!" screams Roberts after Young's cronies so maim him) and spllt infini-tives. But nowhere in Stuart Rosenberg's direction or Vin-cent Patrick's screenplay (based on bis novel) is there a hint of real characters grit. a null of real coaracters grit-tily at bay in a real environ-ment rather than hysteria'd histrics looking for a way back to the Actors' Studio.



### The nasties strike back

#### BRUSSELS

Museo del Oro de Bogota, Colombian Gold Artifacts. Bellevue Museum. Ends Jan 20.

Antwerp, Fine Arts Museum. Aspects of Irisb Painting: Basil Blackshaw, Patrick Collins, Barrie Cook, Louis le Brocquy, Tony O'Mailey and Camille Souter, Ends Dec 9.

#### PARIS

Le Douanier Rousseau: Extraordinary tropical vegetation with exotic flow-ers, genty poetic images of Paris and its surroundings, dignified por-traits of bimself and his friends full Douanier Rousseau's canvases, Selfbounder rousseau's canvases, self-taught, appreciated by Apollinaire yet cruelly mocked by others, he found an escape from the daily buildrum existence in the dream world of his paintings. Grand Palais, 10am-8pm, Wed till 10pm, closed Tue. Ends Jan 7. (260.39.26).

#### Theatre

#### LONDON

The Real Thing [Strand]: Jenny Quayle and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly haved new Phedra (Old Vic): Glenda Jackson re-naung, complex, sugarly have new play. Peter Wood's production strikes n happy note of serious levity. (838 2660/4143).
 Daisy Pulls It Off (Globe): Enjoyable

romp derived from the world of An-gela Brazil novels: gym slips, hock-ey sticks, s cliff top rescue, stout moral conclusion and a rousing school hymn. Spilling if you're in that sort of mood. (437 1592).

third-rate farce is a key factor.

(336 3838).
 Starlight Express (Apoilo Victoris): Andrew Lloyd Webber's rollerskating folly has 10 minutes of Spielberg movie magic, an exciting first half and n dwindling reliance on indiscriminate rustling around. Dis-neyland, Star Wars and Cats are all influences. Pastiche score nods to-wards rock, country and hot gospel. No child is known to have asked for bis money hack. (834 \$184).
 On Your Toes (Palace): Rodgers and Hart's 1938 musical is a genuine ton-

Hart's 1938 musical is a genuine ton-ic. American jazz dance collides with the Ballets Russes. Gens in-clude There's a Small Hotel, Glad to be Unhappy and the Balanchine bal-let for Sisughter on Tenth Avenue. (437 6834).

42nd Street (Drury Lane]: No British equivalent has been found for New York's Jerry Orbach, but David Mer-nick's tap-dancing extravaganza bas ncr staphinously received. Ameri-can Clare Leach is a real find as Peggy Sawyer, and Margaret Courtenay bas a field day (836 6108). Mother Courage (Barbican): Fine RSC Mother Courage (Barbican): Fine RSC Harvey Fierstein's ebullient and tation by the design team of Cats - John Napier and David Her-

LONDON The Boyal Academy: Modern Masters from the Thysseo-Bornemisza Collection - a remarkable run through the history of western painting in the past 100 years or so. It reflects, as it must the collector's taste and prejudices. But these are tempered by an admirable catholicity of interest, which can accomodate quite happily impressionism with surrealism abstract expressionism with constructivism, realism with cu-bism. We begin with Corot and Degas and eod with Bacou, Freud and Giacometti, with Pollock, Picasso, Mondriano, Beckmann, and so

many others in between. Ends Dec 19.

### WEST GERMANY

Cologue, Museum für Ostasiatische Kunst, 100 Universitätsstrasse: The Bluseum of Far Eastern Art is showing Korean art - some of which is more than 5,000 years old. It in-cludes extremely thin-walled storage jars with scratch patterns, bronze and stone weapons, glazed vessels, woodcul prints, gold sbeet-ing and gold ornameots, pearls,

sey - with Judi Dench as a scaveng-ing, music hall and finally moving Courage pushing ber elaborate cart

of stage machinery through the Heavyside Layer. Howard Davies

directs, good support from Trevor Peacock, Stephen Moore and Zoe Wanamaker, (6288795).

markable as the nearly incestious tragic queen in a thrilling produc-tion by Philip Prowse. Costumes of shot silk and taffeta, and Robert

David MacDonald's translation bravely takes on the challenge of

rary art over the last two decades, includes works by Japan's new gen-eratioo of artists. Tokyo Metropoli-tan Art Museum, Ueoo Park (close lo the National Museum). A visit provides both an Interesting art experience and the opportunity to sample a Tokyo autumn in one o the city's largest parks. Enjoy lunch in the open between exhibitions view the autumn leaves and observ Tokyo families at play, Ends Dec 16 NETHERLANDS Amsterdam, Allard Pierson Museum

. .

Similar But Different, an exhibition marking the archaeological mu-seum's 50th anniversary, is devoted to daily life in Egypt, from 3500 BC

to 600 AD. Not grandeur, then, but domesticity, as the visitor is led through a series of small rooms (one a re-creation of an Egyptian inter-or) displaying everyday objects, dei-icate faience work, jewellery and re-ligious artefacts. Richly illustrated catalogue. Ends Jan 1985. Concur rently, oo the top floor, a remark-able display of the earliest photo-graphs (1839-1860) of the monu-ments lining the Nile.

### London Symphony Orchestra conduct-ed by Eduardo Mata. Strauss, Mozart and Dvorak. Barbican Hall (Mon). (6388891). hilharmonia Orchestra and Choir of Kings' College Cambridge and Phil-barmonia Chorus conducted by Stebarmonia Chorus conducted by Ste-pheo Cleobury. Carols and music for Christmas including Bacb and Char-pentier. Royal Festival Hall (Tue). (9283191). London Soloists Chamber Orchestra and Choir. Mozart. Queen Elizabeth Hall (Tue). (6283191).

Center (799 9595).

gramme (Moo & Wed).

Brighton Beach Memoira (Neil Si-mon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childhood reminiscences now that the Nederlander organisa-tion has generausty devided to assotion has generously decided to name the theatre after the generation's outstanding box office draw. (757 6646).

louises Bit (Brooks Atkinson): Dorothy Loudoo brings Michael Frayn's backstage slapstick force in Broad-way in Michael Blakemore's produc-tion that includes Brian Murray. Paxton Whitehead and Victor Ga ber as her backstage conspirators.

(245 3430). (245 3430). The Beal Thing (Plymouth): After 14 months in London, Tom Stoppard's latest giggle at the English intelli-gentsia, with a new-found attention to the beart that bests beneath the

Malkovicb's energetic but nostalgic retrival of an early Lanford Wilson play brings back the wide-eyed, drugged out 1960s and 70s to the ac-

all the wild histrionics in between, down to the confrontation with his down to the confrontation with his doing Jewisb mother. (944 9450). Dreamgiris (Imperial): Michael Ben-bett's Istest musical has now be-come a stalwart Eroadway presence despite the loread effort to recreate the career of s 1960s female pop group, s la Supremes, without the quality of their music. (239 6200). W Your Tone (Micrisic Calles Ernes songs. (420 8000). illters (Jack Lawrence): Based on

#### WASHINGTON

Crossed Words (Folger): A Christmas season pantomime is not much of an American tradition, but with John the company, and the Globe Theatre as the setting, there is hope it can still catch on. Ends Jan 6. (5464000).

a doe-eyed, long-eared Pekinese, he comes in a box and charms all hearts. But he also comes with the nld Chinese vendor's strict instructions; do not get after midnight. New York Philharmonic (Avery Fish These three rules are issued er): Zubin Mehta conducting, Chris tian Altenburger, violin, Carole Far ley, soprano, Schubert, Berg (Tue); Zubin Mebta conducting, Joseph Robinson, oboe. Wolf, Beethoven, George Rochberg Oboe Concerto (world premiere). (Thur). Lincoln

only to be broken of course. well before the film's half-time. The boy (Zach Galligan) dis-covers that iil his pet multi-plies at the touch of water (ii) the creatures go barmy at the impact of bright light and lili)

they turn into hideous gremlins

### A Record for Hodgkin

### **Antony Thorncroft**

The week of Impressionist Dubuffet sold for £67,100 and "How the brigadier rode to and modern art sales in London there was a record for Serge Minsk, realised £5,720. ended on a strong note yesterday when Sotheby's sold contemporary paintings for £1,942,182, with 16 per cent unsold, mainly accounted for by a work by Francis Bacon which was bought in at £135,000.

Top price was the £145,200 paid for Chicago 1966 by Alexander Calder. Tele d'otoge. literature at Sotheby's a first ediuon of T. E. Lawrence's "Seven Pillars of Wisdom," one of 170, made £12,650 and a long o 24, by Jean Fautrier made letter by Samuel Johnson to Sir Robert Chambers, £10,450. The £126,500, a record for the artist, and another work. Nu, Robert Chambers, £10,450. The Napoleon III, and a Louis XVI by the same artist fetched autograph manuscript of Conan bureau plat by Reisner sold for by the same artist fetched autograph manuscript of Conan bureau £79,200. A 1952 painting by Doyle's Brigadier Gerrard story £86,400.

### A Doll's House/Battersea Arts

#### **Martin Hoyle**

sweeping staircases. The audi-torium (and BAC boasts a cinema, art gallery, bar and cafe) is in the antercoom with "Ayes" emblazoned firmly over the decision-makers' donrway; and its sturdy mock-medieval barrel-vaulting and war mem-orials evoke a whole era of be-nign paternalism.

beyond her and truly "dancing as if her life dependen on lt." but is able to convey the sbock of Nura's discovery of her idnt's feet of clay with stricken dignity in incredulous stillness, Apart from Janine Wunsche's

there wos a record for Serge Poliakoff of £47,300 for Composition of 1957. Another A copy of Walter Pater's A copy of Walter Pater's "Imaginary portraits" which Oscar Wilde re-read in prison, and with the prison stamp, was bought by a New York dealer for f3,850 and a watercolour by D. H. Lawrence, copied from Griffenvagen's "Idyll" realised f3 850 record for the artist was the f41,500 which secured Mr and Mrs Rnbyn Denny, 1960, by Howard Hodgkin, sold by Robyn Denny. In the auction of English

£3,850. At Christie's Partridge paid £110,160 for a Louis XV tutipwood amaranth and marquetry table, once the property of Napoleon III, and a Louis XVI

### Jack & the Beanstalk/Young Vic

#### B. A. Young

Scriptwriter David Holman a Mexican, Don Alonso, most of has transferred the traditional plot to the Middle West, specifically to Rattle Snake whose dirty work is done by a lesser Mexican, Pancho, played as o stage Mexican by Andrew Secombe, The glant himself had Mountain, Kansas (twinned with the GLC). Jack, in a likeable fallen down and broken three of his ribs the night before I performance by Gareth Kirk-land, is the son of the late went, so he was played by the director, Roger Watkins, vast enough to look ot, but a little Sheriff, who took on no fewer than five giants single-handed, enough to look ot, but a little short of vocal power. Ethnic minorities crop up again when Jack's landlord, Diamond Jim, turns out to be black Robert Phillips; but to neutralise any charge of racism, Diamond Jim has a charming daughter, played by black Joy Richardson who killed four, but was captured by the fifth, who hos set bimself to make sure that nothing ever grows on Jack's ranch. Even the one cow, Lucille, a slender animal with pretty legs and eyelashes, gives no milk. by black Joy Riebardson, whn pairs off satisfactorlly with Jack Jack, who is pretty dim, gets assistance from a woman preacher, Sister Sue (delight-fully played by Cleo Sylvestre), at the end.

I think the show will improve I think the show will improve when it's played ltself in a little. Rcg Stewart didn't ottract the kids' attention enough with hts song; the giant's descent down the bean-stalk was hardly visible from where 1 sat. in this perfect auditorium: Pancho's substilu-lion far Jack, in o trick learnt from Puck in A Midsummer Night's Drcam, didn't really Night's Drcam, didn't really make me think that it could have deceived anyone. All the same, I found the show a lot of romise. The little mess in the fun, for where the production ficben, and too few jokes in fell short, the enthusiasm of the dialogue. The giani, for some reason, is than compensated.

Judi Deach in Mother Courage at the Barbican, London

Cats (Winter Garden): Still a sellout,

Harvey Fierstein's ebullient and touching story of a drag queen from backstage lo loneliness incorporates

tradition. An irate manager, Lionel Jeffries, declares: "There's far too much sex going on in this hotel, and I'm not baving any of it." Not to be missed. (3795399).

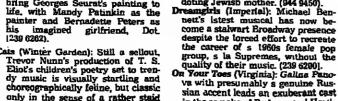
Racine's untranslatable Alexan-drines. Gerard Murphy, Tim Wood-ward and Georgina Hale in a strong that sort of mood. (437 1592). Noises Off (Savoy): The funniest play for years in London, now with an improved third act. Michael Blake-more's brilliant direction of back-more's brilliant direction of back-the cast of a blissfully funny farce by Ray Comey in the old Whitehall

### NEW YORK

day in the Park with George (Booth): Not your conventional mu-sical. Stephen Sondheim's latest is an inspired pairing with director and playwright James Lapine to bring Georges Seurat's painting to life, with Mandy Patinkin as the Dainter and Bernadente Paters as

Trevor Nums's production of T. S. Eliot's children's poetry set to tren-dy music is visually startling and choreographically feine, but classic only in the sense of a rather staid

in the remake of Rodgers and Hart's 1936 sendup of Russian ballet bours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370).







S. . .

b the beart the beart the beart the veneer, directed at a fast clip by Mike Nichols. (239 6200). Glengarry Glen Ross (Golden): The Chicago cast from the Goodman Theatre provided David Mamet with a Pulizzer Prize for his latest work that the size for the liking most extend

that pits fast-talking real estate salesmen against the world and each other. (239 6200). ad (Minetta Lane): John Baim in Gile

companiment of Bruce Springstee

American pimer women's descrip-tions of their work in making quilt blankets, Molly Newman and Bar-bara Damashek's musical arrives In New York remounted from its mod-est origins in Denver. (307 5452),

Neville-Andrews, an English head of



grows. He shares with the male members of the cast a physical awkwardness on stage. Christ Barne's intelligent Krogsiad, the petty criminal who finds redemption, must beware nf standing rigidly to attenuon, clenched fisis firmly at his sides, chin up, at moments of crisis. This is no 19th century melo-drama. Richard Nickols slightly exaggerates dying Doctor Rank's bonhomie and makes him a frightfully English good chap. The pace and tension of his flirtation with Nora flagged;

more attack is needed herc, Even the nver-supportive audience, with relentlessly knowing female laughter at every glimpse of Thrvatd'a bus-bandly and patronising cheu-vinism, made the message plain:

sympathetic Mrs Linde, the rest times goes much further.

This satisfying and workman-This satisfying and warkman-like production (Mark Brick-man) owes much 10 the hugely pramising Nara af Klm Hicks. Excellent voice training, excep-tinnal in a young actress, is manifest in the warmly Intense tones of the newly adult Nora finding herself and the-per-fect sultable-Miss Piggy flut-ing af the child wife. Ms Ricks turns in a frighteningly frenzied tarantetla, the situation 10/alty

torantella, the situation totally

Nordic in a spare set easyt n

tnur, add to the interest ni production that always makes the expected points and some-

1

She sildes down from the halcony now and then to give

him supernatural belp. It's mostly wasted by Jack's mum, Ermintrude (Reg Stewart), so

that the cow has to go to market and is duly swopped for o bag of beans. No need to follow the story further. Once it's got 10 the top the bushy bean-plant (designs hy Shelagh

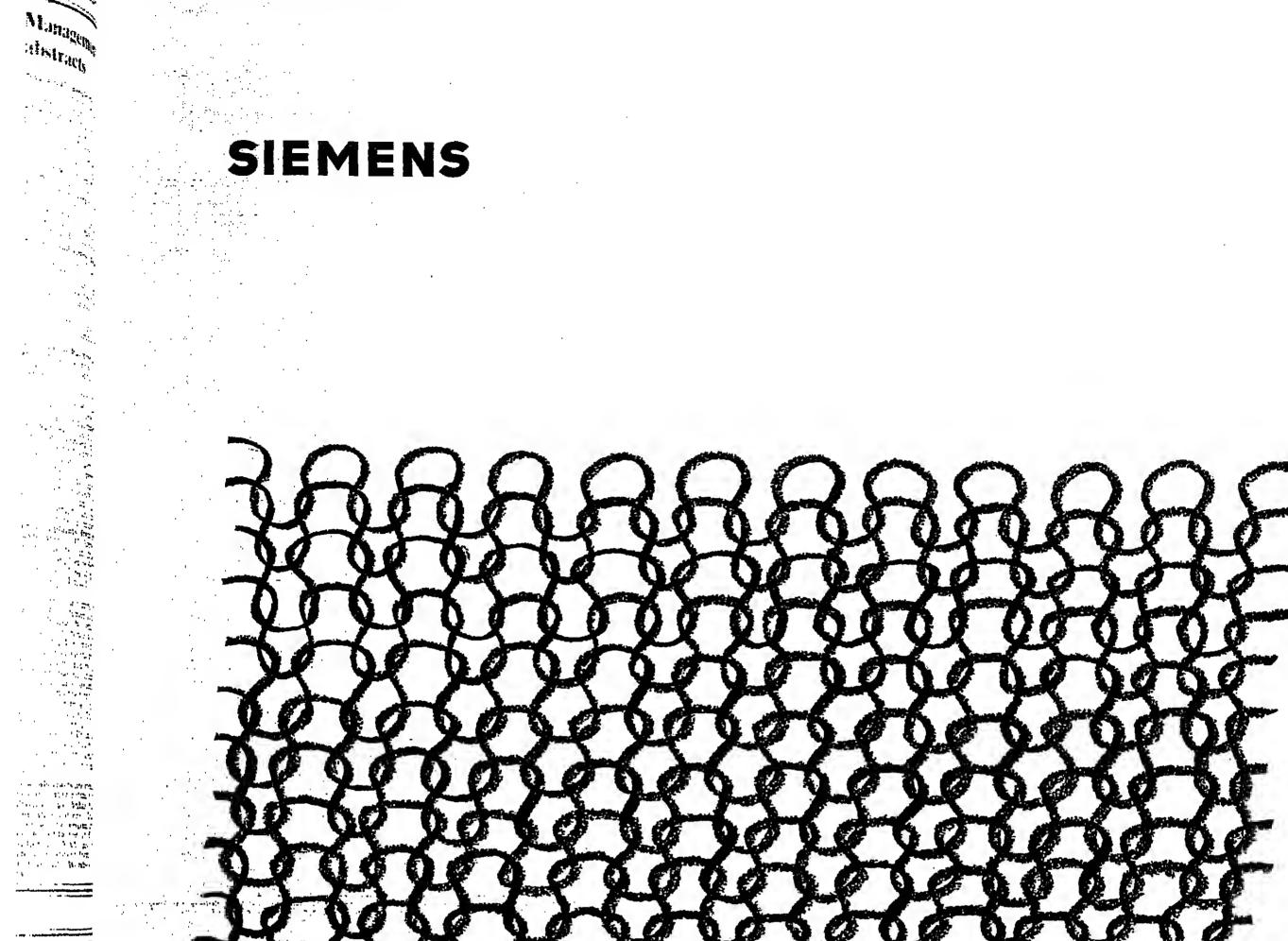
Kcegan), it carries on as usual, complete with comedy routines

that hardly live up to their promise. The little mess in the

kilchen, and too few jokes in

the dialogue.

vinism, made the message plain: this study of sexual attitudes is as fresh as ever. Paul Gam-brill's designs, combining hinta of bourgeois stuffiness with the



Financial Times Friday December 7 1984 ..... . '

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An ongoing process: Siemens operating system BS 2000 is shaping the pattern of European computing.

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### **FINANCIAL TIMES** BRACKEN HOUSE, CANNON STREET, LONDON EC4P 48Y Telegrams: Finantimo, London PS4. Telex: 8954871

Telephone: 01-248 8000

Friday December 7 1984

### Late news of Williamsburg

of excitement, in which we shared, when the Williams-burg summit of 1983 suggested that the IMF should in future take a central role in the co-ordination of national economic policies, which were already notably disjointed. However, the disjuncture has become rather worse since then, with a buge U.S. current y count deficit resulting from its un-checked fiscal deficit, open and none too friendly competition for world savings, interest rates lagging still further behind the fall in world infistion, and a continuing nagging deht nrob-lem. The IMF has been fully

occupied with crisis manage-ment, and the Williamsburg resolutions seemed to bave sunk without trace.

On Monday, however, tha Governor of the Bank of Eng-land took the occasion of bia Jane Hodge memorial lecture to think aloud about these larger issues—and to remind us, by the way, that the consultations started at Williamsburg are still alive and well, if hardly urgent. Some time next year we well actually get a report, and the Governor implicitly invited the world to think a little more about the issues it must address. His own preference, he made it clear, is not for some new Bretton Woods to reimpose order on the world monetary system, but for an evolutionary develonment of what we have in order to reduce the strains which noduce disorder. The IMF should be encouraged to pursue its Williamshurg roleso far as governments are nre-pared to take its views into account—as well as acting as a sheepdox. as it were, to the commercial banks who are struggling with the widespread deht crisis. More controver-sially—even from the point of view of our own Chancellor of the Exchequer—it should strive to regain some control of the growth of world official reserves.

enlarged World Bank, which be one-as long as reserves are saw as potentially leading tha hoarded. If the Governor is flow of international equity trying to revive the ideas of investment in developing coun- discipline, symmetry and asset w the settl

THERE WAS a certain amount line, and it was good to have it so strongly developed in public. In the past, British spokesman have too often been reluctant to lay too much stress on any proposal which the Americans were likely to oppose simply to avoid a waste of hreath; but as the French have long known. it takes two to make an argu-ment, and an argument to force

a compromise. The more speculative part of his lecture was a curious mix-ture of ideas whose time may be ture of ideas whose time may be coming and ideas whose time, it might be thought, was past some years ago. The co-ordina-tion of national economic policies still sounds visionary, but the need for it is becoming more widely understood both more widely understood boin in Europe, where cautious steps are now being mooted to strengthen the EMS, and more notably in the U.S., where the Fed preaches about the rela-tion hetween fiscal policy and trade, and the Treasury trade, and the Treasury explains the relation between

tax rules and luterest rates. Revival It is still not altogether clear why the IMF-the Williamsburg candidate-should be thought a more effective body to secure progress on this front than, say, the OECD, which broods about

the OECD, which hroods about little else; the IMF has the hroader membersblp and already holds annual consulta-tions with all its members, but the OECD has a wider-ranging expertise. Neither body, nor any third candidate, will have any Influence (except on defect problem cases) beyond what problem cases) beyond what governments are prepared to concede, and a forum in which governments meet, rather than the IMF's separate-room approach (somewhat like the British labour arbitration ser-vice) might be more persuasive politically. The point is, though, to get the issue more actively discussed; the Governor has

revived It Some of the other issues he stronger role for the also urged a much stronger role for the for a greatly enlarged World Bank, which be saw as potentially leading the saw as potentially

and petrochemicals industry around the world. On November 19, a liquefied gas explosion in Mexico City cost over 450 lives. Just two weeks later, last Monday, came the even more appalling disaster st Bhopal. The Pemex plant at Mexico City was on the fringes of one of the largest controlations in the world. Union Carhide'a Bhopal plant is some three miles tenance? from the centre of a city the size of Glasgow. In both cases-

the first victims were shanty dwellers drawn to the plants as centres of wealth and employment.

But there are no grounds for pigeonholing this as a Third World prohlem. In Europe, the U.S. and Japan there are many thousands of potentially bazar-dous chemical plants. In the UK alone there are some 1,500 plants containing dangerous chemicals in large enough quantities to harm those in the surrounding area. Of those, around 250 are classed as major accident hazards. A number of them are in or near centres of population.

Plainly, one of the key ques-tions ils whethar different stan-dards of installation and maintenance obtain in the developed and developing countries. For multnationals, this posses a dilemma.

the claim being put forward by

### There is no prescription against panic

the Indian authorities in the Bhopal case—that standards in the Third World are lower. But to argue the converse—as Union

A MAJOR debate about the

role of foreign companies in India and about the pace of the country's technological development is likely to take place once the task of deal-ing with the immediate tragedy stallation at Bhopal is over. India is often highly critical of the level of technology it is sold by foreign com panies and about the degree to which the technology is kept up to date. In turn, the companies sometimes express doubt about India's restrictions on their operations. But the immediate concern is about precisely how the accident happened and about

#### T HAS heen a nightmare drowns.) There is another aspect to the problem. Many developing fortnight for the chemicals countries commissioned chemical plants in the 1970s, when they were awash either with borrowed funds or with petrodollars. In the very different conditions of the 1980s, can they afford the hard currency re-quired for sophisticated main-

Tha UK's Davy Corporation, one of the higgest international contractors in the field, says they can. "My experience," says a Davy executive, " is that developing countries are un-usually sensitive on mainten-ance. Countries like India are and in another gas disaster near Sao Paulo, Brazil in Fehruaryalso pretty good at it, so they only need a small number of outsiders."

One might suspect special pleading here, were it not for further evidence from an unusually objective source. Insurance companies which specialise in chemical risk worldwide, agree that there are no clear differences in premium rates on differences in premium rates on plants in developed and develop-ing countries. "It's impossible to generalise," says one London expert. "A good company in India could get cheaper rates than a had one in the UK."

It might be thought that some asnects of the Bhopal disaster could not be reproduced in the developed world. The plant was far too close to a major centre enance obtain in the developed and developing countries. For initiationals, this posses a itiemma. Few companies would concede point of the disaster, two plant workers panicked and ran away. Bot there is no prescription

against panic, and operator failure is not confined to India. The problem of shanty towns, certainly, is a local one. But on the critical question of where sites are located in the first place, there is less ground for

The chemicals industry is a mature one, and the siting of plants around the world was in some cases determined 50 years

The residential area started

**Over thirty** 

monetary problems.



INDIAN CHEMICAL TRAGEDY

The grim lessons of Bhopal

By Tony Jackson, Chemicals Correspondent

#### Bhopal: the anguish and the grief

authorities are aware of their in the UK's case probably from locations and exact nature, but next month.

neither they nor the industry will publish lists. Partly, this is Directive—the Control of In-dustrial Major Accident Hazards, or CIMAH, will apply to the 250 sites which store very with publish lists. Farily, this is due to a natural concern that such plants could become tar-gets for terrorists or vandals. But the reluctance is also part of a lack of candour which bedevils the whole topic. large quantities of dangerous substances. Among other re-

to argue the converse—as Union Carbide has done—is to imply that the same could hapnen any-wbere. Logically enough, there-fore, Union Carbide has sus-nended its manufacture in the blant was then remote from the chemical which caused the Bhopal disaster. (Methyl iso-cyanate is an immensely power-ful irritant, which acts on the twick (pollintant)—a number of so that the victim in effect large population centres. The so that the victim in effect large population centres. The

How this is to be done will be nn to tha companies—by news-paper advertising, delivery of leaflets, or public meetings. But the directive is to be phased in chemical industry — that the public has little knowledge or understanding of the dangerous chemicals in question. Fer nonchemicals in question. Fer non-chemists will have heard of gradually, and this particular part of it will not he mandatory trichlorophenol or methyl iso-cynate before the Severo and Bhopal disasters respectively. until 1986. It might seem surprising that

so central a requirement should come so late in the day. But then, the other main plank of UK regulation—the Notification of Installations Handling Hazardous Substances Regula-tions, or Notification Regulations for abort-was only brought into force in 1982.

The regulations require that all 1,500 or so plants handling dangerous chemicals in dangerous chemicals in quantities large enough to have offsite effects should notify the Health and Safety Executive. The HSE then has the duty to inform local authorities and the emergency services, and also to consult with the planning authorities on the limits which ahould be set on new huilding in the area. in the area. These regulations are, to an

These regulations are, to an extent, only a codification of what was done in a less systematic way in the past. There is, though, one worrying aspect. The Notification Regula-tions were introduced as a response to the Flixborough disaster of 1974, which killed 28 people. The CIMAH regula-tions are being introduced as a response to the Seveso incident. If there is truth in the notion that for companies the spur to action is regulation, it seems action is regulation, it seems equally true that for regulators the spur to action is disaster.

Indeed, it would seem that disasters can sometimes have radical effects on the attitudes of the companies themselves. Days after the Seveso inciden The UK version of the Seveso in 1976 the Coalite Group, sole UK manufacturer of the offend-

ing chemical trichlorophenol, closed its Bolsover plant for checks, Though nothing was found to be wrong, the plant never reopen But the German chemical Bayer, which makes the "Bhopal" chemical methyl isocyanate at Dormagen on the Rhine and It Antwerp, says bluntly that because of dif-ferences in the production pro-cess, a disaster like Bhopal would in its case he impossible. The recent tragedies highlight

The public's attitude is a fact of life

Neither chemical is now made

in the UK. But others as lethal are, such as bydrogen cyanide. Other common chemi-cals lower down the toxic list are

acrolein and phosgene though the latter proved effective enough as thestandard gas m

These are all used as inter-mediates—chemicals whose re-active power in all directions

active power in all directions makes them very useful in binding other chemicals to-gether. "The very chemical reactivity which makes them so useful," says Dr Peter Merri-man of the Chemical Industries Association, " seems also to be

what makes them so dan-

Not all their end-uses, though, are toxic. Methyl isocyanate is not only used for pesticides. It also goes into plastics and poly-

mers, and may well be a con-stituent of objects which the consumer handles every day.

But public ignorance of their

uses makes life very awkward for the manufacturers. The in-

dustry insists, with justice, that in view of the huge number of

hazardous plants around tha world, its safety record is re-markably good. Indeed, there

World War One.

gerous.

is a good deal of bitterness in some parts of the industry over what is seen as the unfairness of the public's attitude to accidents

Unfair or not, though, the public's attitude is a fact of life. Within the industry itself, some are arguing that the proper response to ill-informed criticism is not indignation or burt silence, but information. Unless companies adopt a more communicative attitude to their public, tragedies such as Bhopal can only despen the prejudice.

### UNION CARBIDE'S PLANT THAT WILL NEVER RE-OPEN

The last of a handful the wisdom of allowing a realplant originally brought from the U.S. when the plant was being dential area ta grow np around a potentially lethal in-

ing sufficient managerial advice and technical surveilset up left a year or so ago. lance.

that the U.S. company would provide up-to-date technology while at the same time supply-

on handling emergencies. carbaryl insecticides which it sold under the Sevia hrand But the plant bas not been name to other products based on the same technology. competing products made by other companies have caten. Tha company is now finalis-The company is now noun-ing the sale of another part of its businest—polyethylene chemicals—to an Indian com-pany, Reliance Textiles of Bombay, in line with its world-wide policy of diversifying out of this product. Polyethylene maket up, sheat 25 new cost of into the market. In its annual report for 1983, the company blamed imports of new products such as synthetic pyrethoids and the accumulations of stocks during drought conditions in makes up about 25 per cent of Union Carbide India's 1982. The State government said last night that the plant-which cost about U.S.\$25m-will not be allowed to re-open. Rs 2,100m annual turnover. John Elliott in New Delhi The company denies it wanted

to shut it, saying rather that it intended gradually to switch away from the unsuccessful

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IMF manages the flows of bank interminable thought of the old lending. Here be was clearly group of 20, be bas set himself speaking for the British official a hard task.

### The next steps in Hong Kong

draft agreement on the future would never accept such a pro-of Hong Kong through the cedure anyway. House of Commons and the calm Ye there are several grey manner in which tha people of areas in the agreement where manner in which tha people of the colony bave accepted it should not lead to a feeling of complacency. The agreement may be the best that could pos-sibly be negotiated in the cir-turstances and there is some furstification for regarding it as a major British diplomatic a major British diplomatic achievement. Yet as the euphoria over the maintenance of Hong Kong's capitalist system for 50 years after the transfer of sovereignty to China in 1997 has died down, the douhts and fears about what has not been spelled out in the agreement have grown. The findings of the Assess-

ment Office, set up to test the acceptability of the agreement to the people of Hong Gong, can hardly he considered a can hardly he considered a triumphant endorsement of the agreement. The public response to an extensive advertising cam-paign appealing to the people of the colony to send in their opinions on the agreement elicited only 2,500 direct sub-missions. That, from a popula-tion of 5.5m, is a dis>pointing result to say the least, even though some of the submissions though some of the submissions came from organisations with a

came from organisation large membership. The two sealor officials anpointed to monitor the work of the Assessment Office of the Assessment Office summed up the conclusions of the study in carefully measured, if chilling terms. The majority of the people of Hong Kong accepted the agreement because they regarded re-unification with China as inevitable and because they were relieved that the terms of the agreement were as good as they were. "But the verdict of acceptance implies neither positive enthusiasm nor passive acquiescence."

No one in Hong Kong, let more important that the plans alone Britain, seriously be for more democratically closes alone Britain, seriously be for more democratically elected lleves the agreement on the institutions should be put ioto colony's future can somebow he effect as quickly as possibla, reopened to take account of the modest though they are. many reservations which have Though it is often stressed been expressed. Sir Geoffrey that western confrontational Howe, the Foreign Secretsry, politics are alien to the Chinese underlined the reasons for this tradition, a gradual move to in the Commons on Wednesday. direct elections of the Legisla-Any attempt to change specific tive Assembly is desirable in the sections of the agreement would present situation in Hong Kong, upset the delicate halance that had hom established during the to have any say in the implemany reservations which have had been established during the to have any say in the imple-negotiations, leading inevitably mentation of the Sino-British to the crumbling of the entire agreement, their representatives

edifice. Implied in his remarks must have credibility.

THE SMOOTH passage of the was the conviction that Peking

The most important proposal made hy the unofficial members of Hong Kong's executive and legislative councils (UMELCO) is that the people of Hong Kong should be allowed to participate in the drafting of the Basic Law, which will be the Special Administrative Region's new constitution.

The Chinese government has made it clear that this is en-tirely Peking's responsibility, but the latest indications are that it has not ruled out some kind of association of Hong Kong's representatives with the drafting of the Law, be it only in a consultative capacity. For the people of Hong Kong that would provide at least some re-assurance that the principles set out in the draft agreement will be respected.

#### **Consultations**

On the British side, Sir Geoffrey gave an undertaking in the Commons that Hong Kong Government officials will he in-cluded in the British delegation to the Sino-British joint liaison group, due to be set up after the ratification of the agreement.

Since such a decision could probably not have been taken without prior consultation with Peking it bolds out bope that the Chinese intend to allow the Hong Kong people a somewhat greater role in the implementation of the agreement than was at first feared.

Though it is often stressed

A bout

to receive A week has been a long time as a receiver for Midlands

as a receiver for molands solicitor Herhert Brewer who indicated yesterday that he does not want to continue to act as Receiver in charge of the financial affairs of the NUM. As if a rushed and unpro-

ductive trip to wintry Luxem-hourg in search of NUM cash was not enough, he found he had some of the pushier charac-ters of Fleet Street and TV as

travelling companions. If the High Court judge, Mr Justice Mervyn Davies, decides today that the receivers ip is to continue it will pass into the capable bands of one of the City of London's top men in the trade—Michael Arnold. Arnold is a senior partner of accountants Arthur Young McClelland Moores and company, and is the firm's direc-

tor of insolvency services. A partner since 1966 he has a considerable reputation in the twilight world of receiversbip. He recently handled the affairs of the Hong Kong property group Carrian Investments,



"Sorry about the delay--we're beln grepainted in the new livery before take-off"

والمراجع المتعالية فيتعاشد المراجع

The residential area started as a shanty town for construc-tion workers when the plant was being built on the out-skirts of Bhopal. As often happens in India, this developed into an uncon-trolled mass of slum dwellings for large numbers of people living in overcrowded condi-tions. Such developments can be seen all over India and anthorities are rarely successful in controling them. There are no foreign technicians working at tha

India strictly controls the number of foreigners admitted to help set np technical collaborations, vetting each individual's applieation on a case-by-case basis. When the person involved carns more than Rs 39,000 (£2,000) a year a Minister's decision is often required. Foreign companies often

find it difficult to adapt to restrictive policies such as these and to strike an effective balance between letting Indians control joint ventures

Union Carbide India, which is 50.9 per cent owned by Its U.S. parent, started basic manufacture of pesticides manufacture of pesticides based on methyl isocyanate in 1980. It began constructing the Bhopal plant about five years earlier, during which time it initially imported the finished pesticides and then progressively developed manufacturing.

Last year the Indian Government renewed the manufacturing licence for seven years on the condition

man described as "a new dimension in legal expertise for us."

The outsider

### BASE LENDING RATES

The outsider	
	A.B.N. Bank 91% C. Hoare & Co
Is Patrick Jenkin, the man who drew the short straw in the	Allied Irish Bank 93% Hong Kong & Shanghai 91%
government and has had to de-	Amro Bank 91% Johnson Matthey Bkrs. 91%
fend the Thatcher-inspired local	Henry Ansbacher 91% Knowsley & Co. Ltd 101%
government Bills to limit rate	Armco Trust Ltd 101% Lloyds Bank 91%
rises and abolish Britain's big- gest councils, slowly but surely	Associates Cap. Corp 101% Mallinhall Limited 10 %
distancing himself from that	Banco de Bilbao 91% Edward Manson & Co. 101%
nest of troubles?	Bank Happalim
He bad yet another unhappy	BCCI 91% Midland Bank 91%
Commons experience this week when he opened the second	Bank of Ireland 91% = Morgan Grenfell 91%
reading debete on the abolition	Bank of Cyprus 91% National Bk. of Kuwait 91%
Bill-and was savaged hy his	Bank of India
own side.	Bank of Scotland 91% National Westminster 91%
The abolition of the GLC and the six metropolitan counties is	Banque Belge Ltd 91% Norwich Gen. Tst 91%
such a major and contentious	Barclaya Bank 91% People's Tst. & Sv. Ltd. 101%
constitutional issue that the	Beneficial Trust Ltd 101% R. Raphael & Sons 91%
key first clause is to be con- sidered in committee on the	Brit, Bank of Mid. East 91% P. S. Refson
floor of the Commons next	Brown Shipley
week.	CL Bank Nederland 91% Royal Bk. of Scotland 91%
The Bill then goes into a	Canada Perm'nt Trust 91% Royal Trust Co. Canada 91%
traditional Commons committee for detailed consideration. Such	Cayzer Ltd
is its importance that a huge committee of 47 MPs has been	Cedar Holdings 11 % Standard Chartered
committee of 47 MPs has been	
named - 15 Labour, three Alliance, and 29 Conservatives.	
But in spits of the commit-	Choulartons
tee's great standing, Jenkins	
has evidently had enough. He is not a member and thus can-	
not be called upon to dciend	
even the most controversial of	
the Bill's clauses.	
Kenneth Baker, appointed local government minister to	
improve presentation of these	
matters, will, it seems, have to	The Cyprus Popular Bk. 91% Yorkshire Bank 91%
cope with the lot.	Dunbar & Co. Ltd 91%
	Duncan Lawrie 91%
Free ride	E. T. Trust 10 % Members of the Accepting Houses
The much vaunted security pre-	First Nat. Fin. Corp 11 % = 7-day deposits 8.25%, 1 month First Nat. Secs. Ltd 11 % 7.00%. Fixed rate 12 months 52,600 5.75% 110000
contions at this week's Dunun	First Nat. Secs. Ltd 11 55 7.00%. Fixed rate 12 months £2,600
summit were not all they were	a hover trieming of Co. 570 to day
cracked up to be. Despite Mrs Thatcher's public	
congratulations to the security	Grindlays Bank \$ 91% 7
chief some journalists at the	E Guinness Mahon 919 * Call deposits \$1,000 and over \$2%.
summit felt far from secure. That was because one passed	Hambros Bank 91%    21-day deposits over £1,000 74%.
through all the security coruous	Heritable & Gen. Trust 91% f Demand deposits 6%.
he deching his London 11ans i	= Hill Samuel
port " All Zones " bus pass.	and the state of t
Observer	

**Men and Matters** 

while back at home he has The Group of Thirty actually heen dealing with Snappies, a can muster only 29 members cling film maker, and Yorkshire at present. Fine, a textiles company.

Arnold's colleagues see him more as a company doctor than a simple receiver. "Ha lives to pull 'em round," one of them Straight As told me. Will he he tempted to use his bedside manner on the NUM, I wonder?

hy taking part in a portfolio competition, choosing five shares from the New York Stock Exchange list. One of the less industrious Lord Richardson, who was closely acquainted with the intergovernmental groups of Five, Ten, and Twenty Four students won the contest. He merely picked the first flive shares listed under "A" in the stock exchange list—and outduring his two terms as governor of the Bank of England is to take the chair of a group with even more digits to its name—the Group of Thirty. The political frepower of all these groups can be expressed

as inversely proportional to the numbers in their names. The Legal cover Group of Flve, for example, is tha term for the meetings of the finance ministers and central bankers of the five most The Department of Trade and Industry is willing to make almost any sacrifice, it seems, amost any sacrance, it seems, in its anxiety to help Ian Hay Davison, chief executive of Lloyd's insurance market, pre-pare Lloyd's to an over-fresh powerful nations, the Group of Ten includes the next five, and the Group of Twenty Four is for the less developed nations. coodition before it moves into a new city headquarters next The Group of Thirty is quite year. independent of those political demarcations, although it meets Now the DTI's top lawyer,

to consider the same questions of international ecnomics and Bill Beckett, aged 55, who has been Solicitor to the department for the last four years monetary problems. It was set up in 1978 with a grant from the Rockefeller foundation to provide a forum for some very high-ranking elder statesmen and other experts. By a very loose analogy A Mancunian, Becket prac-

is a sort of self-appointed House of Lords for international

Monetary Fund, who has been the group's chairman since it was founded. And, we may have proof at last that economists can't count

a second s

rises and abolish Britain's bi gest councils, slowly but sure distancing himself from the Lectures on investment may never command quite the same atention again from students at Richmond College, the Amerinest of troubles? He bad yet another unhapp Commons experience this wet when he opened the secon reading debere on the abolitic can university in London. Forty-eight students put their accumulated wisdom to the test Bill-and was savaged hy h own side. The abolition of the GLC an the six metropolitan counties pointed the rest of the class with e 13.1 per cent profit in 11 weeks.

such a major and contention constitutional issue that the key first clause is to be considered in committee on th floor of the Commons new week. The Bill then goes into traditional Commons committe for detailed consideration. Suc

**Observer** 

A Mancunian, Becket prac-tised hriefly as a barrister be-fore joining the Civil Service in 1958. He was legal secretary House of Lords for international monetary affairs. Lord Richardsoo takes over in April from Dr Johannes Witteveen, former managing director of the International blods the rank of deputy

### POLITICS TODAY

**Exclusive-Sir Keith's victory** 

By Malcolm Rutherford

ONE OF the minor pleasures in life is to watch people being almost completely wrong in the conviction that they are absolutely right, Sir Keith Joseph, the Secre-

is. <sup>Ne</sup>ree

tary of State for Education and Science (don't forget the science bit), provides a perfect illustra-tion. Sir Keith had a political triumph this week, yet many people concluded that be had suffered e humiliating defeat. The subject was student grants. Sir Keith, Mrs Thatcher,

grants, Sir Kenth, Mrs Thatcher, Mr Nigel Lawson, the Chancellor of the Exchequer, perhaps the Conservative Party and possibly ultimately the country, won in three ways. There had been an enormous row over the relatively trivial issues of whether, the middle

classes should pay slightly more money to finance their children in university education. Sir Keith, the Prime Minister and the Chancellor backed down.

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Yet the reasons why they won the argument but lost the headlines are as follows:

One of the main problems in Parliament at present is the overwhelming size of the Tory majority. This is embarrassing for back-bench Tory MPs who den't have many primed making don't have many ways of making their name. It is also potentially embarrassing for the Govern-ment because at some stage tha back-benchers might rebel, if only they had a cause on which

to unite. Student grants provided a synthesis: a rebellion where some of the demands were met, but where the Government was also given the credit by many Tory MPs for partially climbing down. The episode showed that the Conservative back-benchers could have a role and that the Government would not ignore them. Most of them seemed 1. . . . 1. 1.25 extremely grateful as Sir Keith made his statement on Wednes-day afternoon. Result: rebellion

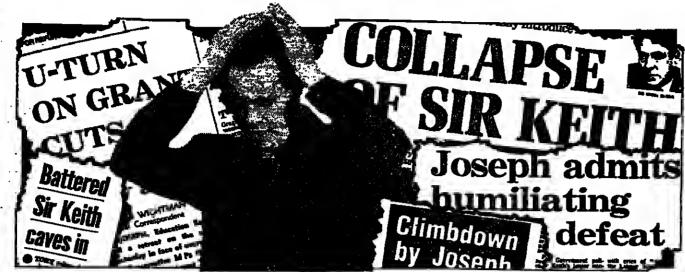
1 . 142 - E defused and at least temporarily diverted from other, bigger issues such as unemployment. - - - - **- - -**--

· 152, . . C but more of the burden of pay-ing for higher education on to the better off: an aim of the left, and even centre left, down A STATISTICS PL

An alternative

to the dole

From Sir Richard O'Brien



There was, incidentally, an implicit admission in Labour Party's behaviour that public the only Parliamentary opposi-tion to this Government that matters is likely to come from the Tory benches.

• Sir Keith did not really hak down other than tactically. Ha said that the proposed extra parental contribution to student fees was too sharp and had been announced at too sbort notice, which actually he had thought from the atart. But be

thought from the atart. But be did not substantially give way. What he said was that tha whole business of finance for students should be placed firmly and openly on the pol-itical agenda. There will be a re-view of the student aupport system and the results might include the introduction of loars as well as grants an idee loans as well as grants, an idea of which the Secretary of State has long been fond.

No doubt it will achieve wider respectability simply by when respectivity simply by being aired. There is nothing fundamentally wrong with It. They do it elsewhere in other, equally civilised countries, and not in Whitehall, • The Labour Party was in some places the notion of strangely quiet. One of tha working your way through col-reasons was that it could not lege is second nature, the conceal e grudging admiration United States, for example. for what Sir Keith was trying to Hard to attack that. do. He was, after all, trying to be Sir Keith won. It would not never af the hundred of not be folight to all in how reasons

she kazizan sa shti

title), Sir Kelth said: be foolish to claim, bowever, that the victory was brilliantly engineered. It was a chapter of disasters almost to the happy ending.

Letters to the Editor

One point stands out bere. It is the way that in the annual it back by several per cent. Pseudo-cuts of future programmes will not be enough. We shall need to cut state employment and subsidies to expenditure reviews governments, Labour or Tory, never seem to learn. It comes down to trimming some residual amount and the result rail, steel, bousing and the

supported sector." That was in 1976. The lecture is almost always predictably controversial: like cutting foreign ald or reducing support to the Britisb Council 1t saves was called "Monetarism is not Enough," and the title meaot what it said. Maybe Sir Keith and his colleagues are now putting some no money to speak of and gives governments a bad name. One would bave thought that there was a method of looking at (say) the financing of British of that message more into effect. For there is another point

about the student grants affair

The Government has used the row to bring the possibility of student loans into the open

culture abroad without leaving worth noting. When Mrs it to the last minute of an ex- Thatcher's first administration was discovered (by The Economist) to be looking at the penditure review. Apparently Yet perhaps in a curious way future of social security benefits, there is the beginning of a the National Health Service, learning, even teaching, pro-cess, being led by Ministers. In was promptly shelved on the a once famous, now forgotten, express instructions of the lecture (actually it was called Prime Minister. the Stockton lecture before Today the Government has Harold Macmillan assumed the grown wiser, or more cunning. itite) Sir Kelth said:

Today the Government has grown wiser, or more cunning. It uses a row about student "Cuts mean cuts. At present, grants to bring the possibility of we have learned, actual govern-ment expenditure has outrun And If the amount of money projected by several per cent of involved is not very large in the the GNP. We shall need to cut short term, the very fact of

-that the strong look after themselves and also help to look

airing the subject broaches a much wider issue what do you do about the relatively well-off middle classes, many of wbom have all sorts of built-in advantages, like mortgage tax relief, access to good schools and who know bow to get the best out of the Health Service?

The Government has not yet consciously raised the matter in those terms, but on the business of student grants it came very close to it. It was the Tory MPs and the Tory middle classes who rebelled (odd, how no one speaks of the knights

no one speaks of the knights of the ahlres any more), yet in the longer run It may well be that it was the relative silence of the left that was the more significant. The left was frankly Surprised that here was a Tory Government attacking Tory privilege, which was exactly what Sir Keith was doing. How mncb further the Gov-

How much further the Gov-ernment will go down this road remains to be seen. My own guess, bowever, is that It will seeks to become steadily more radical even at the risk of offending some of its own sup-porters. There are three reasons for thinking so. Tha Government has been

extremely lucky with time. It won a second term very largely because of the splits in the opopsition. But time is still beginning to run out. There is quite a strong view among senior ministers that Mrs Thatcher's first term was not nearly

radical enough: for instance, in implementing some of the ideas in "Monetarism is not enough."

True, that is because they admit that they underestimated bow long it would take to turn the country round—"to arrest and then reverse the long decline," as Sir Geoffrey Howe pnt it in his first Budget

vogue. Hardly a week now goes by without some new anecdote in • The second reason is partly geoerational. There is in the the media about the power of inspiring individuals to revital-Cabinet a group of people who thought out quite carefully what ise organisations which until they wanted to do during the period of oppositioo in the 1970s. Sir Keith is one of them. Mrs Thatcher another. He once very recently were slumbering or even comatose. From the U.S. comes evidence

of miracle-working by Lee Iacocca at Chrysler, Jack Welcb at General Electric and (just maybe) Ed Acker al PanAm. In the UK, which has bad more than its fair share of troubled said that he didn't need to talk to the Prime Minister very much because he always knew what she would think. The two go together. But they cannot survive forever and they are companies, the caodidates are legion. The list ia headed by impatient to get on or, as Mrs Thatcher used to say, to "sur things up."

Lord King at British Airways, John Harvey-Jones at 1CI, Christopher Hogg at Courtaulds, and Sir Micbael Edwardes, • The third reason is an awareness that for all the change and dislocation that there may seem formerly at BL. Such examples certainly lend weight to the assertion by Sir Michael bimself, in a controverto have been in Britain in the last few years, other countries are still doing better. West Germany may have an unem-ployment problem that is in sial attack on top British management last month that many more companies need to overprovident problem that is in some ways comparable to the British, but look at its trade surplus—nearly £2.5bn in Octo-ber alone. What is more, the Germans have weathered re-cession without the benefits of North Sea oil more companies need to over-throw their cosy tendency to "wallow in consensus," and should instead submit them-selves to a good dose of crisp, courageous leadership. But pre-cisely the same examples also cause one to qualify the popu-lar conception of charismatic indexting the submit of the section the North Sea oil.

What would have happened to Britain without those benefits is bard to imagine. Yet bere leadership, and to question the military model on which it teods to be based. To cite the chairman of BA. we are still with problems about the exchange rate, productivity. old industries and competitive-ness, much as in the 1960s. On and with him the ex-boss of BL, in the same breath as the bead of Courtaulds is to contop of that there is the emergeoce of the newly industrialised countries. It is not that Ministers are

trast two very different styles of "inspirational" leadership. The first, which is the most widely recognised form of "charisma" in business, is one beginning to admit the possibility of failure. Far from it, On the contrary, there is a growing realisation that the country may have to run even faster to stay in the same place. of iron rule, beavily laced with fear. The second is based far more on the exercise of an eventempered, even cool, cerebral power. The ICI chairman ex-hibits yet another effective style, described by one admirer as "ebullent yet incisive bon-homie" That is why, for example, Sir Keith Joseph—a non-interven-tionist—goes on abont the need to maintain the science budget. Other countries do. One way of doing it here might be for the middle classes to pay a littla bit more for their higher education. Some Tory MPs might like to consider that homie." Just as there are many successful styles of individual leadership, so tha effectiveness

of each varies over time, and from place to place. In a seclonger view.

Lombard

### **Charisma back** in vogue

#### By Christopher Lorenz

ALL OF a sudden, after a tion of his remarks which went period in which "team leader-ship" was held by many people brouhaha, Edwardes argued that to be the only effective way of someone who is right for a running large companies in to day's complex, international marketplace, the virtues of incompany at one stage of its development may not be at a later stage. If be had atayed at dividual charisma are back in BL for more than four years, he suggested, he would have

been only a third as valuable as during his first three years there.

17

A less confrontational form of leadership may have a much longer life cycle, depending on the individual and the company concerned.

One of the prime causes of the misconception that business leadership essentially consists of "the great man on his white horse," is the over-reliance on military parallels. This is a par-ticular tendency among Britons, still obsessed with the glorious exploits of Nelson, Montgomery aod all their other military "greats," and all too aware-nntil now, at any rate-of the relative absence of role models in the British business world itself. Top executives certainly have a lot to learn from the Preat military parallels. This is a par-

a lot to learn from the great military leaders. There are obvious lessons in the clarity of their objectives, in their ability to communicate them and in their admirable concern with organisational morale and train-

But the differences between the modern military and busi-ness worlda outweigh the similarities. Most businesses are cootinually at war, and do not enjoy the luxury of constant practice for an occasional battle. They do not face just one enemy, who is reasonably predictable, but several, so that response and counter-response are often all but impossible to

In business, organisational structures tend to be far more complex and difficult to manage than in the military world. Above all, business leaders, be they charismatic individuals or not, continually have to create and sustain consensus about and sustain consensus about their chosen strategies and tac-tics. Unlike their military counterparts, they cannot take the consent of their troops for granted. Would-be business leaders have more to learn from their own kind than from their oblidbed harace

December 7, 1984

childhood heroes.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

Sir,-The article by Samuel Brittan on "An alternative to the dole" (December 3) is welcome. He is right to state that a "combination of unsatis-fied needs and unused human labour is illogical and unecothe provider predated te san i suite en and in 10 10 10 nomic (I correct what I assume to be typographical errors) as well as a social scandal." to perform the second

For some time now it has 148° For some time now it has been possible to mount schemes for the long term, unemployed which are relatively cheap, make sense to the unemployed and result in useful work being done. The mistakes of the Job Creation Programma intro-duced in the mid-1970s were corrected by the Manpower Services Commission in the Community Enterprise Pro-gramme which followed it. We now have the Community Pro-1.000 in Net now bave the Community Pro-gramme which everyone agrees has been a great success.

has been a great success. In my view tha simplest thing to do now would be to expand the Community Pro-gramme from 130,000 to 500,000 places immediately; we have the projects, the know-how and the administration through the MSC to do this. As Richard Layard states in his letter (December 4) the £1.5hn which the Chancellor is con-sidering for tax cuts should be used to finance this expansion. A precisely targeted scheme of this kind is the quickest and cheapest way to make a genuine reduction in the numbers of the long term un-employed. employed.

If this were done, the way would be open to consider how all the long term unemployed might be taken off the dole.

The merit of Mr Brittan's article is that he brings the subject into the realm of prac-ticalities. It would be helpful in the current state of public concern if the Government were to publish a Green Paper setting out possible alternative. means, with costs, by which this objective could be

Public opinion would. I sug-est, be responsive because gest, be responsive because there is increasing support for putting employment and un-employment at the top of the national agenda. (Sir) Richard O'Brien. 24, Argyll Road, W8.

### When they are bad they are horrid

### From Mr A. Thomas

From Mr A. Thomas Sir,—I am writing following the letter from Mr A. W. Nelson (November 24), whose views I fully endorse. Any individual engaged in tax practice must have experience of the changing attitude of the Inland Revenue. This is so not only between the Inland Revenue and the tax-payer but I feel certain that, in some instances, the attitude Empirical evidence indicates that the yield spread between the two bond markets is chiefly determined by the two coun-tries' current inflation rates. the current and previous years budget deficits (as a share of national product) and movesome instances, the attitude towards accountants (and probably other professionals too)

has become much more aggres- | ments in the exchange rate sive. There must be many in-stances in practice where the amount of tax recovered bears no resemblance to the costs in volved in collection, not only to the client but also to the Inland Revenue. If this aggres-sive attitude continues, and I spread would fall within the range of 103-225 basis points most of the time. So the present position (et 130 basis points) would indicate that gilts are cheap relative to their Treasury counterparts. Such a situation would indicate out-performance by gilt-edged securities relativa to U.S. Treasury boods rather than underperformance (as Mr Lewis has suggested). If Mr Lewis was concentrathave no reason to suspect it will not, then there must surely be grounds in certain circum-stances for the Inland Revenne to bear a proportion of the client's costs. to bear a proportion of the client'a costs. Although the Revenue's atti-tude is likely to continue, 1 also agree with Mr Nelson that there are many reasonable Revenue officers. I was very encouraged by the fact that Mr John Isaac. a deputy obairman of the Board of Inland Revenue, earlier this year attended the members' conference of the Institute of Taxation. He spoke exception-ally well on the consultative process and, indeed. It is a welcome change that such senior Board officers are pre-pared to venture into the "real world" in an ettempt to under-stand the problems of both tax-payers and accountants. All taxpayers and their advisers can only bope that things get better but there is every likelihood that, as fewer and fewer people are paying taxation of one sort or another, the problems could conceivably become mnch worse. If Mr Lewis was concentrat-ing on a very long term assessment about deficits in 1988 indicates this to be the casedicates this to be the case-then be seems to be taking a lot for granted regarding the ability of the U.S. President and his Congressional counter-parts to come to some agree-ment over the nature of any defait emitting nackage What deficit cutting package. What is clear is that the present \$200bn deficit will take a long time to whittle away—particu-larly given Mr Reagan's dislike of increasing taxes. Cuts will need to fall on the spending side and we know bow difficult this bas been to accomplish bere in the UK. In the mean-time, the U.S. Treasury will continue to be a major borrower in the markets and become much worse. Anthony D. Thomas. 26, Waring Way, Dunchurch, Nr Rugby, Warwicks. the relative performance of gilt and Treasury markets will be affected accordingly. On present fundamentals, the UK gilt market is cheap rela-Two bond UK gut market is cheap rela-tive to U.S. Treasury issues. On future fundamentals—well . . in the long run, U.S. Treasury issues could be cheap, but that is taking a lot on trust. In the meantime, the six foot markets From the Chief Bond Economist Simon and Coates Sir.—I was most interested in Mr Stephen Lewis' comment in Mr Stephen Lewis' comment on the gilt-edged market "Yleids pattern set to change again" (December 3). While I would agree with his view that the relative yield structure between the U.S. Treasury bond market and the UK gilt man drowns in the stream that has an average depth of three feet. Michael H. Jankowski. 1. London Wall Buildings, EC2. bond market and the UK glit market is chiefly affected by budget deficits and inflation In tha two countries, he appears to have neglected the im-portance of the present rela-tive position of the two markets. I would suggest that it is generally difficult to know where to go if one has not established where one is. Empirical evidence indicates that the yield spread between University fees From Mr T. French Sir,-Mr Ball (December 1) clearly represents e fairly widespread strand of thinking in the

tion. They never owned a car or went on Continental holidays, but I don't think that they ever felt deprived or begrudged the money they spent. Those who believe in Conservalues for these factors for 1985, the equilibrium value for the 20 year yield spread in the two markets would be about atism must accept that no worth-while system can please all the people all the time, and that in a Conservative society Government (ie taxpayers) money is not unlimited. two markets would be about 165 basis points. The statistical properties of such an equation suggest that the actual yield spread would fall within the T. W. French. B. Woter End,

Clifton, 'lork. Resolving a

paradox From Mr M. Nisbet

Sir,—The latest National In-stitute of Economic and Social Research review of the British economy (November 29) higheconomy (November 23) higo-lights an apparent contradic-tion on wages—namely, that Britain is already a "cheap labour" economy and yet the Chancellor's strategy is based on containing further real wage growth.

The resolution of this paradox is sharply revealed in the follow-ing stark description of the Britisb economy as one where "we pay 5 men.4 men's wages, to do 3 men'a work." Thus over-manning (5:3) coexists with low pay (4:5). producing high unit labour costs (4:3).

The Chancellor bopes to reduce unit labour costs by lowering wages so we can pay 4 men 3 men's wages to do 3 men's work (the fifth la un-employed). He won't succeed because under this approach low pay (3:4) and unemployment persist.

It is management's responsibillity to increase productivity —so we can pay 4 men 4 men's wages for 4 days work—to regain market ahare, expand output and bring the fifth person back into employment.

M. Nisbet. 57-59, Gloucester Place, W1.

### A symbol on

a cheque

Ball would change to a Fascist/

he will also have to put up

with many other horrendous changes which ha will like very

mncb less. If he wants Conser

From Mr M. Wookey Sir,--- I wonder if I might draw the clearing banks' attention to a small irritant which could be simply remedied.

Some cheques require 1wo signatures before they can be met, but occasionally, by design or oversight, one is omilied, causing inconvenience to the payee. May I suggest that all chequea requiring two signacountry, but it is one which needs to be countered. If Mr tures drawn on any bank are marked with a distinctive sym-Socialist sociey, he will certainly get these charges cancelled. But bol and then we shall all know, and can act accordingly. Michael J. Wookey. Colebrook, Evans and McKenzie, vatism ha must accept one of the basic tenets of Conservatism 5. Quality Court.

Chancery Lone, WC2.



### **INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT**

£50,000,000 10<sup>5</sup>/<sub>8</sub> per cent. Notes 1989 Issue Price  $99\frac{3}{3}$  per cent.

and

### £50,000,000 11 per cent. Notes 1994 Issue Price 99<sup>1</sup>/<sub>4</sub> per cent.

### **Baring Brothers & Co., Limited**

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The Notes of £5,000 each, and integral multiples thereof, constituting the above issues have been admitted to the Official List of The Stock Exchange, subject only to the issue of the Notes. Interest is payable annually on December 14.

> No offer or sale of any of the Notes may be made in any jurisdiction where such offer or sale would be prohibited by law.

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18

FINANCIAL TIMES

### Friday December 7 1984

more realistic outcome. For the time being, however, cri-

ticism of Mr Reagan is muted

Democratic leaders are reportedly anxious to avoid attacking bead on

the President's plans so soon after

his sweeping electoral victory. Mr Thomas P. O'Neill, the Democratic

speaker of the House of Represen-

Democrats would be "constructive and open to compromise" but added

tion of the economic outlook, Partly

because of slow growth in the sec-

ond half of this year, the White House has already bad to add about

\$40bn to its deficit projections for

The projections for 1986 and be-

yond are no less sensitive to the

economic growth, inflation and in-

This was because newly-surplus

terest-rate assumptions the Admin-

1985.

tatives, said earlier this week that

FIERCE OPPOSITION LIKELY TO U.S. SPENDING CUTS

### Reagan faces battle over budget

BY STEWART FLEMING IN WASHINGTON

PRESIDENT Ronald Reagan has successfully seized the political in-itiative with his decision to demand from his cabinet draconian cuts in the Federal Government's spending in order to try to reduce the pro-jected federal budget deficit from \$224bn to \$100ho by 1988.

As details surface, however, it is library grants and c clear that the cuts proposed by the nutrition programmes. White House will run into fierce op-position from both Congress and from interest groups who can see the flow of federal dollars slowing

and in some cases drying up. The most eye-catching of the President's proposals is the call for some 2.1m civilian government emplayees to take a 5 per cent pay cut in the fiscal 1986 budget period which begins in October 1985.

The planning process, in which the White House has been engaged since the President was re-elected in November, relates to the 1986 budget and reyond. The Presidents, list of cuts in-

cludes the halting of new loans by

soar 86%

By Ray Maughan in London

HANSON TRUST, the diversified

UK conglomerate which makes bat

teries, hricks and boots amid a wide

spread of manufacturing interests on both sides of the Atlantic, made

the most of its two big acquisitions in 1984 and pushed profits, an-nounced yesterday, up by 86 per cent to a peak £169.1m (\$204m).

Profits include a seven-month

contribution from London Brick.

acquired for £247m after a long battle, and five months from U.S. In-

dustries, the North American con-

glomerate which, at a cost of the

equivalent of £384m, is Hanson's largest acquisition to date. Each contributed some £10m af-

ter financing charges, and the ef-

fect of translating strong dollar

earnings into sterling was estimat-

port U.S. exports, eliminating feder-al aid for urban mass transit, including subsidies to Amtrak, the federally-supported passenger rail system, tightening federal funding of the Medicare health programme for the old and Medicaid, health care for the poor, terminating library grants and cutting child

The powerful interest groups threatened by these cuts include farmers, in particular the dairy industry which is facing the elimination of federal support, and western state officials, who are facing presi-dential demands for reductions in government subsidies for electric power generation.

The burden to be born hy the Defence Department is yet to be decided, but preliminary indications are that, when he meets Mr Reagan next week, Defence Secretary Caspar Weinberger will be asked to find cuts in planned defence spend-ing of \$8bn in 1986 rising to \$30bn in 1988.

the Export-Import Bank, which pro- Mr Reagan is exerting the maxi- tious targets than those Mr Reagan sumptions, which are no vides government finance to sup- mum pressure on his officials to is suggesting, is seen by some bud- vised, are too optimistic.

meet the overall budget targets he get experts on Capitol Hill as a is aiming for by taking the initiative himself early in the budget planning process within the Administration and personally supervising the cuts now being proposed to govern-ment departments. Whether all the spending reductions now being examined will actually appear in the budget proposal be puts to Con-gress next month remains in doubt.

The question is, however, how will Congress, which actually makes the spending decisions and which has virtually ignored the past two presidential budget proposals. There is also the overriding ques-Even Republican leaders, such as

Mr Robert Dole, the new Senate majority leader, are perceived to be sceptical about reaching the President's ambitious budget savings solely through spending cuts - cuts, moreover, which leave the expensive social security system unscathed. A balanced programme of tax increases and spending cuts, and perhaps one with less amhi-

istration is basing them on. Many economists maintain that those assumptions, which are not being re-

realist set to clash

### at Greens'

Purist and

conference By Rubert Cornwell in Bonn

A MIGHTY, and prohably veno-mous, argument over future power-sharing with the conventional So-cial Democrat (SPD) opposition is likely to overshadow all else at this weekend's party conference of the radical left-wing Greens which opens today in Hamburg. Given the fissiparous nature of the Greens, there is no guarantee dend. that the dispute will be conclusively

settled. Few. bowever, doubt that the gathering is the most important in the five years' history of their movement. Despite the series of quarrels which have split Green ranks over the last 12 months, every election during the period has seen the par-

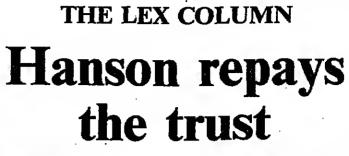
ty increase its strength, whether in the European Parliament, regional governments or in town balls througbout the country. These successes, however, and

These successes, however, and the simultaneous collapse of the lib-eral Free Democrats, are relentless-ly intensifying pressure on the Greens to define their attitude to real political power - to other words, whether they are ready to join forces with the SPD to allow left wing governments to be formed, both locally and conceiv-ably at national level after the next ably at national level, after the next Bundestag election in February 1987.

In that sense, the cooference is something of a watershed, as opininn polls give the party consistently up to 10 per cent (in some cases even more) of the popular vote. It comes to the wake of the con-fused withdrawal of the Greens from a pioneering collaboration agreement with the SPD in the After a prodigious run, they were trading last night at 278p, equivatate of Hesse, which had been ratified only five months before. The break-up over the crucial issue of the development of the local nulent to about 11 times likely undilut ed earnings in the current year. clear industry has left even left-BOC wing Social Democrats warier than

ever about entering into such alliances. This time last year BOC could do no wrong, for despite a patchy set of figures for 1983 the outlook was An identical dilemma may well arise next year in both the Saarland extremely encouraging. So it must. and West Germany's most populous and industrial state, North Rhine be a hit galling for the company to Westphalia, where elections are to

ng, in doth



Believers in the anticipatory pow-er of markets will infer that BOCs taking account of perhaps £10m of translation benefits from the U.S. operations, the UK comes out prospects are no longer seen in a particularly rosy light. If so - given ahead on points. Every one of the five British divisions bas improved BOC's heavy U.S. investment - the high dollar must be as much to blame as fear of a U.S. recession. its return on sales, with Hanson's low-tech forays into bricks and bat-teries proving the best of the bunch. The exchange rete has demolished prices in BOC's carbon electrode Trading returns from British Ever market, while choking off some of Ready have leapt from 12.3 to 20.8 per cent - and the cash flow cannot be bad either. its medical equipment exports from the U.S. to Latin America. And that has left the once glossy U.S. health Margins are slightly less glamor-ous across the Atlantic, but the U.S. care division looking about as tar-nished as the rest of the sector.

Industries acquisition is bedding down well, and overall the group's All the same, it is hard to be very returns are high enough to leave the interest charge four times essimistic about the current year, The loss-making parts of BOC'a welding husiness have gone, and covered in spite of a net deht load which, on the most conservative there will be other gains from ra-tionalisations paid for above the reckoning, represents about 140 per cent of sbareholders' funds. That line in 1984. It only needs average growth in gas volumes - at constant pressure - to see earnings rise by ratio leaves Hanson's boast of £450m in liquid assets looking pretty senseless in financial terms, but this is hardly the point. The group is presumably preparing itself for another takeover, and even if the cash is weak, the shares are willing. perhaps 20 per cent. On a philistine historic cost basis, BOC thus trades on a multiple of about eight, not too high, until it is remembered that on the same basis, BOC's balance sheet is about 80 per cent geared as always.

#### Bass

makers, including Spectrum Ce-

Bass is showing fairly clean heels to its rivals among the brewing ma-jors, turning in the sort of pre-tax profits growth that leaves Allied standing and Whitbread some way behind. To have achieved volume The only cloud on the horizon is growth in beer sales of 3-4 per cent out of Ferrant's production, and have performed close to expectation in a flat market is quite something, the company may need to expand - a 44 per cent increase in pre-tax especially as Bass has been notably its civil and overseas business to resnifty about discounting in the duce that reliance. But the m take-bome trade. It may have been still takes a sanguine view of Fer-Bass's traditional dour presentation ranti's future; assuming C49m for 252p yesterday, BOC's shares have of its results for the year to Septem the year and a 32 per cent tax take, ber - or more probably, the lower the shares stand on a multiple of than expected profits from property over 23.

### **Profits at** Japan will restrict steel exports Hanson to U.S. to 5.8% market share Trust

#### BY ROBERT COTTRELL IN TOKYO

main categories.

countries

tion.

JAPAN's Ministry of International sions on how the overall restraint Trade and Industry (Miti) said in Tokyo yesterday that its negotialevel will be reflected - in particular, categories of steel product will tors in Washington had agreed to be discussed. restrain Japan's steel exports to the U.S. next year to a maximum 5.8 per cent market share in six of the

Japan took an average 6.3 per cent of the U.S. steel market in the 10 years to 1983. In the first 10 The basic agreement with Japan is the first to be reached by the U.S.

months of this year, shipments of Japanese steel to the U.S. rose 73 per cent to 5.636m tons, equivalent to a 6.7 per cent market share. Japan's steel industry and govin a series of bilateral negotiations with important steel exporting ernment negotiators originally ar-

A Miti official said that no agree-ment had yet been reached on how gued for the 0.3 per cent level to be fixed as the new ceiling but appar-ently decided to compromise late on long the restraint should remain in Wednesday night. force. The U.S., he said, was still asking for five years, which Japan The acceptance of a 5.6 per cent

considered as too long. Steel industry spokesmen believe the Miti negotiators want just one year of restraint, but the Miti officeiling meant a very large cutback for Japan, the Miti official said, but he did not expect it to result in any plant closures. cial said Japan was not at present A spokesman for one of Japan's

Japanese and U.S. negotiators tow plan to hold further discus-beads. making a counter-proposal on dura-

IEA forecasts sharp fall in

commercial oil stock levels

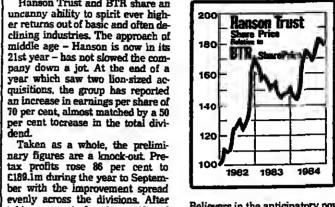
workers would have to be reabsorbed into other jobs. Big Japanese companies merely lay off workers, even to periods of extreme recession or financial difficulty. Mr Yutaka Takeda, chairman of

the Japan Steel Industry Associa-toin and president of Nippon Steel, the world's largest steelmaker, said yesterday that some form of restraint agreement had to be reached

AP reports from New York: The U.S. Court of International Trade has denied a petition from U.S. im-porters to lift a U.S. embargo on steel pipe and tube purchases from the European Economic Communi-ty, according to the American Insti-tute for Imported Steel, which is composed of 70 leading steel importers into the U.S. It may appeal against the ruling.

#### U.S. business shifts stance on ee trade. Page 4





another £10m.

Earnings rose 70 per cent to 19.2p a share, the dividend has been in creased by 50 per cent to 5p a share and worldwide employment expanded by 17,000 to 67,000 in the year to September 30.

London Brick, which had been forecasting annual profits of £36m at the height of its defence, made C19.8m but cannot meet buovant de

One of the most striking ad vances was achieved at British Ever Ready, acquired after some-what less of a struggle at the begin-ning of 1983. Despite a £13m drop in turnover, the effect of lower overheads and increased productivity was a profit increase from £20.5m to £31.9m

Hanson's shares rose 11p to 278p, just 4p below the all-time peak.

See Lex, this page; Details, Page 24; Stock markets, Section 111

**CD** plan hits

French bonds

**Continued from Page 1** 

of three months and six months and

would be issued in units of at least

FFr 1m or more. The CDs will also be issued either in frances or in for-

Cobroval Fara Rovace Frankfuri Funchal Senava Gitrattar Gateratey Helsana H Kang Itanabroci Innerness Istantar

Jersey Jo berg Las Palas

Linus Lusten Lacerco Landan Los Angeles Lorentiaurg Madrid

36 57

1.4 per cent.

eign currency.

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COMMERCIAL OIL stocks in in-dustrialised countries may fall to the equivalent of only 71 days forward consumption by the start of 1985, the lowest level for six years, according to the latest projections of the International Energy Agency (IEA).

BY RICHARD JOHNS IN LONDON

In its latest monthly oil market report the IEA puts the likely level of the draw-down by companies during the current quarter at 1.1m harrels a day. The figures indicate that the run-

price escalation began - was sub-Lower commercial stocks should stantially greater last month than be partially offset hy a rise of those "excess" production by the Organi-sation of Petroleum Exporting Countries (Opec). The IEA calculates Opec output The IEA calculates Opec output at approximately 16.8m h/d in No-

U.S. and Japan. vember compared with the new re-duced ceiling of 16m b/d supposed to be observed as a result of the Total stocks on land in the OECD (Organisation for Economic Co-opagreement reached at its last miniserction and Development) area at the start of 1985 look as if they will terial conference. The report stresses, however, that there is be the equivalent of 90 days' for The figures indicate that the run-down in company stocks - the low-est level since the second great oil month." The figures indicate that the run-still considerable uncertainty re-ward consumption hut marginally lower at 89 days in West Europe, says the IEA.

ment at all and an uncomfortable "Red-Green" compromise. The divisions within Green ranks, between fundamentalist and purists against all power sharing and pragmatists who be lieve coalitioo offers the only chance of Green policies, however imperfectly, being translated into reality, are reflected in two con-

polls suggest, the choice may lie be

tween no working majority govern

trasting keynote motions to go before the 800 delegates in Hamburg. The aspirations of the purists are set out in a motion submitted by the national executive. Describing the

Greens as "the only opposition," it says all co-operation with the SPD or other parties would be "selfdestructive.

The realists, a minority at the party's summit hut including the most successful Green parliamentarians, want a gradualist course of ecological reforms."

### Spanish bank in Pta 26bn debt provision

By Robert Graham in Madrid BANCO Hispano-Americano, the third largest Spanisb banking groop, has decided to pass its 1984 dividend and set aside Pta 26hn (\$152m) to cover bad and doubtful

This was in order to consolidate its financial position after merging last year, with Urquijo, the troubled industrial bank, an official from the bank said last night. Last year's debt provision was Pta 17.5bn. This is the first time that one of

the big seven Spanish hanks has not paid a dividend since Spain's economic boom began in the 1950s. Although the decision was made known last night after a board

meeting, rumours of Hispano's move had caused heavy selling of its shares on the stock market. Talks are continuing with the

Bank of Spain on additional aid to Urquijo, which has now merged with Hispano's other industrial acquisition Bankunion

in October was the first step in this At one staga it was thought the process of adjustment, but there authorities might try to provide assistance to avoid Hispano passing Mr Goskirk, however, was careful

over the dividend, but both the not to give any support to ideas cir-culating in Whiteball, which has launched its own review of BNOC, bank and the authorities appear to have preferred to opt for a clear-cut demonstration of Hispano's cleanthat the corporation should be cut

Nevertheless, the Spanish invesdown to size, in order to reduce its influence in the market and Brittor has long been accustomed to the idea of banks paying out healthy dividends, and the move is certain ain's high profile in the world oil

He said that to have any effect to come as a sbock. upon the market, BNOC needed a Last year. Hispano recorded pre substantial volume of oil tax profits of Pta 13.8hn

profits to £137.8m for the year to September - against the hackcloth of a drifting share price. Down 3p to trailed the market this year by something over 30 per cent.

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BELL'S SCOTCH WHISKY

up at 435p.

Bass never appeared completely

sold on its plan to draw a quarter of its profits from something nther

its profits from something other than beer; now, it is going in the op-posite direction. The leisure busi-ness put in only 15 per cent of trad-ing profits, with the miners' strike not helping overcapacity at holiday camps and Corals paying out on too many favoured racing winners dur-ing the summer. But complaints that Base is still too "nure" a preserve

that Bass is still too "pure" a brewer

sound a bit thin as long as it contin-ues to squeeze an extra percentage

point in trading margin out of been

each year, while, with cash slopping around the balance sheet and a

pint-sized net deht/equity ratio,

Bass can certainly make a major acquisition on the leisure side once it loses some of its fastidiousness (or forgets the teething troubles at Corals).

The share leaves Bass on a p/e of

9.8 at tax of 33.6 per cent. This does

not seem opulent, even given the

run-up in the price in the period be-

Yesterday's interim results from

Ferranti, showing pre-tax profits up 25 per cent to £16.5m, could not

have been less of a bombshell; in-

deed, a falling market managed to nudge the shares down 2p to close at 178p. For the half-year to end-

September, all divisions contrib-

uted strongly, with electronics in particular showing a lot more fizz, Ferranti has consistently

matched market expectations over

the last five years and 1984-85 looks

likely to prove no exception. Order books are robust - up over 25 per cent on the same time last year -

and the company has been fine-tun-

ing its operations by selling loss-

fore yesterday's results.

Ferranti



#### PRELIMINARY PROFIT ANNOUNCEMENT for the year ending 31 December 1984

	Note	Year ending 31 December 1984 (Estimated)	Year ended 31 December 1963 (Actual)
Net income after taxation	1	R 17 700 000	R (7 253 000
Number of shares in issue Earnings per share		74 520 000 23,75 cents	74 520 000 23, 15 cents
Dwidends per share: Intentm – declared 7 June 1984 Final – declared 6 December 1984		7,0 cents 12,0 cents	6,5 cents 10,0 cents
Total		19,0 cents	16,5 cents
Net assel value per share	2	473 cents	458 cents

#### Notes

1. Surpluses on realisation of investments have been transferred to a non-distributable reserve in terms of the articles of association of the company and have not been included in the earnings above.

2. The net asset value shown unrier 31 December 1984 was calculated at the close of business on 5 December 1984 after deducting the dwidend herein declared.

#### DECLARATION OF FINAL DIVIDEND in respect of the year ending 31 December 1984

Notice is hereby, given that interim dividend No. 48 of 12.11 cents per share has been declared in respect of the year ending 3.1 Devember 1984 payable to shareholders registered in the books of the company at the close of business on Endiny, 28 December 1984

The dividend has been declared in the currency of the Republic of South Africa and cheques in payment thereof will be posted from the otices of the South African and United Kingdom transfer secretaries on or about 18 January 1985

Cheques in respect of dividends issued by the United Kingdom office will be drawn in United Kingdom currency equivalent on 11 January 1985. Non-resident shareholders' fax at the rate of 15% will be deducted from dividends where applicable.

On behalt of the board D. Gordon (Charman) I. R. McAlpine (Director)	South African transfer secretaries Central Registrars Limited 4th Floor 154 Market Street	United Kingdom transfer secretaries Hill Samuel Registrars Limited 6 Greencoat Place London SW 1P. IPL
Johannesburg 6 December 1984	Johannesburg, 2001 IP O Box 4844. Johannesburg, 2000)	

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India to speed compensation claim **Continued from Page 1** prove communications between the fndian plant and the parent compaket. That led to the deluge of sell orders that also depressed the Paris stock market, where prices fell by The company said that the talks

would focus on what aid Union Car-bide can offer, but may also cover other areas such as the question of compensation for the victims and magnitude of the disaster." French officials confirmed that the new CDs would have maturities their families.

The repercussions of the accident continued to plunge in New York

The fiscal treatment of the CDs yesterday, dropping a further \$5% will also be less favourable than the to \$39 in early trading with more than 3m shares changing hands by lunchtime. Since the disaster, the existing tax regime for the existing Treasury Bill mutual funds. The Government hopes in that way to help to calm the mutual fund market's worries over the introduction of CDs.

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Readings at mid-day yesterday

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Sattlerg Sead Suckales Tauger Tabyo Taouto Taouto

bide's deht ratings for possible

are beginning to be feit throughout insurance coverage was "sufficient" the U.S. chemicals industry and on Wall Street. Union Carbide's shares over, the company's financial structure was not jeopardised, it added.

The company took the highly un-usual step of denying that it might face financial difficulties and be than 3m shares changing hands by face financial difficulties and be company's stock has dropped al-most \$10, wiping out more than \$740m of its market capitalisation. \$740m of its market capitalisation.

**Continued** from Page 1

would prove temporary.

ernment, BNOC had decided to

maintain its official price, in spite of heavy trading losses, in the hope that the spot market weakness

"Ynu cannot stand in the way of

the market, but you can perhaps

give the market a possibility to pause for hreath," he said. A letter from Mr Alick Buchanan-Smith, en-ergy minister to oil companies ask-

ing them not to put pressure on BNOC around the same time was

part of the same strategy, he added.

Mr Goskirk defended the action

as being, arguably, in the national

interest, hut said that it was now

main U.S. rating agencies, disclosed "categorically denies that it is con that it was reviewing Union Car- sidering seeking protection under sidering seeking protection under the bankruptcy laws."

ment installed at the Bhopal plan

unidentified U.S. manufacturer.

followed, are virtually identical to

### Union Carhide, however, yester-day repeated its assertion that its

Spot link for UK oil

Yesterday Moody's, one of the threatened in any way" and said it arrest" by the Indian authorities.

was made in the U.S. to Union Carbide's specifications by an debts.

The company also repeated that the equipment installed in the Indian plant, and the safety procedures

those at its now closed plant in

necessary to hring supplier and cus-

tomer prices back into balance. The decision to cut official prices

would have to be nthers.

market.

downgrading. Moody's said: The In separate developments, some recent pesticide plant accident in of which emerged at the company's India could create a material finan-cial liability for Carbide, given the



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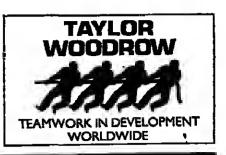
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### **SECTION II – INTERNATIONAL COMPANIES FINANCIAL TIMES**



19

Friday December 7 1984

### Canadian North American Car Imperial's files for Chapter 11 earnings with \$813m debt fall back

#### BY WILLIAM HALL IN NEW YORK

NORTH AMERICAN Car, the third International, a transport group, NORTH AMERICAN Car, the third international, a transport biggest railear leasing company in and has been treated for accounting the U.S., has filed for protection in-der Chapter 11 of the bankruptey that it might have to write off said that it might have to write off code. It owes domestic and foreign said that it might have to write off banks and its institutional lenders its \$132m investment as a result of a revaluation of the liquidation val-

agreement with its principal bank and institutional lenders on a volun-

to reach a standstill agreement with its bankers to prevant them calling in a \$132m loan immediately payable. The company had already restructured its bank debt once and

had defaulted on its loans. North American is a wholly owned indirect subsidiary of Tiger

### a revaluation of the liquidation val-ue of the North American fleet and the company sought the protection of the court after failing to reach agreement with its principal the interval of the resolution of the negotiations to restructure its debt bankruptcy filing of North Ameri-can increases the likelihood that a tary restructuring of its debt obligasignificant amount of this investment will be written off at the end North American had been hoping of the year. Tiger International lost

\$222.8m in 1983 but returned to profit in the current year. Aside from bank borrowings of \$288m, North American owes \$350m to various insurance compa nies and \$100m to other institution al lenders.

### Cincinnati Milacron buys UK engineer

#### BY ANDREW TAYLOR IN LONDON

CINCINNATI Milacron of the U.S., preferred to develop its own techthe world's largest machine tool

the world's largest machine tool nology but was particularly im-manniactmer, has bought LK Tool, pressed by the quality of software a small private UK company which developed for LK's computer-has grown in 29 years into one of entrolled machines. the world's leading suppliers of op-ordinated measuring equipment. In the world's leading suppliers of op-Mr James Geier, Milacron chair-Mr James Geier, Milacron chair-Mr James Geier, Milacron chair-suring equipment used in the man. Sales by LK in the 12 months to Arril 1985 are superior by LK in the 12 months to ufacture of large components like 'April 1985 are expected to be about car bodies and aircraft wings filled: \$20m, of which about \$17m is ex-

group's armoury.... He said Milacron's future depended upon sustaining its lead in generated in the U.S. developing integrated manufactur- LK, which has an as ing systems. Previously the U.S. employing 100 in the British Mid-group had been unable to supply its lands, says its link with Milacron own measuring equipment. could push sales up to around \$30m own measuring equipment. could push sale Mr Geier said Milacron normally next year.

nology but was particularly im-

an important gap in the U.S. pected to be generated by U.S. group's armoury... He said Milacron's future de-only 38m, of which about \$1m was

LK, which has an assembly plant

By Bernard Simon in Toronto

CANADIAN IMPERIAL Bank of Commerce (CIBC) suffered a de-cline in earnings to C\$282.4m (\$217m), or C\$4.88 a share, in the year to October 31, from CS314.9m, or CS6.23 a share, a year earlier. Like the other four big Canadi

an banks which have published alts in the last two weeks CIBC's performance was blunted by narrower interest margins and an increase in loan loss provisions. Actual loan losses dropped from C\$722m to C\$500, but provisions - which are determined by a five year averaging formula - rose from C\$381m in

fiscal 1983 to C\$431m. All five banks posted e decline in per share earnings in fiscal 1984, with CIBC and Bank of Nova Scotia taking the hardest knocks. BNS's net income fell by

22 per cent. CIBC's assets totalled C\$68.1bn on October 31, virtually un-changed from a year earlier. Re-turn on assets slipped from 0.46 per cent to 0.41 per cent, the low-est of the five Canadian banks. The best performer, Toronto

Dominion Bank, raised its return on assets from 0.74 per cent to 0.80 per cent. Mr Donald Fullerton, CIBC's

president, said: "We are encouraged by the improvement shown in each of the past two quarters". The fourth-quarter return on as-sets was 0.51 per cent.

Analysis forecast that an expected decline in interest rates will substantially improve the banks' results in 1985, especially the Bank of Nova Scotia, which has the highest exposure to con-somer business.

Mr Terry Shannessy, of invest-ment dealer Gardner Watson, estimates that the five banks' loan losses will remain at roughly this year's level of C\$1.8bn in 1985. however, the Conrail chairman and

chief executive has been trying to partment's plan to sell the stateowned railroad to a private sector

orporate buyer. The unprecedented battle be-The unprecedented battle be ly but has become increasingly vo-tween the Conrail management and ciferous as the Government's self-its biggest shareholder, the U.S. imposed year-end deadline for a de-Government, is coming to a head.

At meetings in Philadelphia and Harrisburg, Mr Crane, aged 68, and Mr Robert Platt, Conrail's chief financial officer, made the battle pubing its independence. lic. The Conrail management has Started an extensive lobbying begun to criticise openly the U.S. campaign in Washington and Transportation Department's plan among Conrail's shipping custom-

ers Employed Morgan Stanley, a blue chip Wall Street investment bank, to advise it on alternatives The U.S. Transportation Departand the feasibility of a public offerment wants to sell the once finan-cially crippled East Coast Railroad,

 Offered to reinstate the substantial wage concessions made by the unions • Offered to start paying state taxes of \$25m or more a year in those states where Contrail op-

From a list of 14 bidders drawn up in June, Transportation Secreerates. rowed the field to three: Alleghany, would provide the U.S. Government

To most outsiders Mr Crane's actions and those of the Conrail man-

agement look like a barelydisguised and audacious attempt to thwart Mrs Dole and the Transport Department's plan for a quick sale. Whatever the nature and motives of the attack it has already succeeded in catching public and con-gressional attention. It has also apparently attracted the wrath of Mrs

Paul Taylor looks at a U.S. rail group's attempt to avoid privatisation

Dole. trator, question whether the Gov-The Transportation Secretary ernment could obtain from a partial or full public offering the same sort wrote to Conrail's board pointedly asking whether it had authorised of tough commitments made by cor-porate bidders. Among the condi-tions imposed on Alleghany the the retention of Morgan Stanley as advisersy. The board has yet to reply, but Mr Crane made it clear that company has agreed to limit divihe considers he has done nothing wrong. "All I asked them to do was dends taken from Conrail for five years, to maintain capital spending to consider financial options," he at up to \$500m a year and to retain says. ervices "where economically justi-

The campaign has already creat-ed an odd set of allies and pitted fiable." natural allies against each other. Conrail's management and its rail unions - often adversaries - seem increasingly close. dervaluation.

In contrast, the question of price, Stanley said the investment bank and the form the privatisation should take, appears to have divided Wall Street. \$1.7bn earlier this year. He suggest \$39.2m.

#### ed that a fair price might be much Merrill Lynch representatives, speaking on behalf of Alleghany at the Philadelphia meeting, seriously higher.

Mrs Mary Desapio, of Cardinal Capital Transportation, a railroad securities analyst, went further, suggesting that Conrail could fetch "up to \$3bn" at a public offering.

implied that the Kirby family, which owns a large slice of Allegh-any stock, bad bid \$1.2bn only be-Although price is a crucial factor for Congress which ultimately must decide the issue, jobs, services and the future management structure of Conrail are becoming key factors. cause of chairman Mr Fred Kirby's "deep desire to get back into rail-

Perhaps more significantly, they and Mr John Riley, a Transport De-partment federal railroad adminis-Mr Robert Scarbelletti, genera chairman of the Brotherhood of Railway, Airline and Steamship Clerks, told the Philadelphia meeting that his union believed a viable Conrail could best be ensured "by a public offering, retaining the existng management."

Mr Crane has also achieved something of a folk-hero reputation. He has overseen a massive trim-ming of the Conrail workforce from 100,000 to 40,000 since he took over in 1981 - and he has pulled the

railroad from the brink of collapse to healthy profits. In the first nine months of this year Conrail's net In contrast, Morgan Stanley, retained as adviser by Conrail's man-agement, and others have suggestearnings more than doubled to ed that the \$1.2bn price tag is an \$411m on revenues of \$2.59bn. Three years ago, the year that Mr Mr Tom Saunders of Morgan Crane became chairman, the railroad edged into the black for the had valued Conrail at \$1.6bn to first time with net earnings of

### **Currency moves lift Aegon's performance**

#### BY LAURA RAUN IN AMSTERDAM

which was formed in 1976 out of the

rubble of Penn Central and six oth-

er bankrupt railroads, to a corpo-

public offering.

rate bidder.

AEGON, the second-largest Dutch year by the merger of the Dutch ininsurance company increased its surance companies Ennia and Ago, profit to FI 200 million for the first repeated, its forecast, that profit and gross receipts for 1984 would exceed those of last year. The tine months, compared with Fl 173m (\$50m) in the comparable pe-Hague-based insurer reported earnriod of 1983. Earnings rose to FI 13.14 a share ings of FI 228m on gross receipts of

from Fl 13.11, adjusted for a 7 per Fl 8.46bn in 1983. In the general insurance sector, which accounts for a third of overall ent increase in the number of shares outstanding. Gross receipts increased by 17 per cent to F1 7.3bn operations, gross receipts rose 14 per cent, while the pre-tax loss narbolstered by favourable currency rowed to FI 4m from FI 6m in the Aegon, which was formed last comparable period of 1983.

'NEW ISSUE

### Firestone slides in quarter

roads

challenged the long-term financial

stability of Conrail despite its pro-

jected \$500m profit this year. They

#### BY OUR FINANCIAL STAFF

FIRESTONE, the world's second biggest tyre maker, suffered a fall in fourth-quarter net earnings from continuing operations from \$23m, or 48 cents a share, to \$12m, or 28

pre-tax profits also fell in the fourth The company's pre-tax operating profit from North American tyre op-erations dropped to S3m from \$33m quarter, from \$29m to \$23m, but rose from \$110m to \$122m for the in the 1983 quarter, when the figure was inflated by a Lifo gain. Excluding the gain, profits were about the

same as last year. For the year, North American tyre operations fell from pre-tax profits of \$122m to \$8m with the company blaming intense competi-

tive pricing pressures, higher man-tinued operations and extraordiufacturing and retailing operating costs, and passenger vehicle tyre shortages earlier in the year. nary credits of \$13m, which boosted final net to \$102m, or \$2.21 a share.

In the previous year a \$12m gain International tyre operations from discontinued operations and extraordinary credits of SI1m made a final net earnings of \$111m, or \$2.26 a share. The average number of shares during the year dropped from 49m to 46.4m because of a For the company as a whole, net

earnings from continuing operastock repurchase programme. tions dropped from \$88m, or \$1.79 a

share, to \$63m, or \$1.36, in the year ended October 31. The figure in-By far the best performance in the latest quarter and year came chided a \$11m gain on the sale of from the company's diversified Brazilian rubber plantations, but products operations, which include excluded a \$26m gain from disconvehicle parts and rubber products,

#### All these Bonds have been sold. This announcement appears as a matter of record only.

November 30, 1984

### **Conrail sell-off rolls into trouble** MR STANLEY CRANE has spent an investor group led by Mr Willi-the past three years putting Consol-idated Bail (Conrail) back on the ern. All three are offering about tracks. For the past six months, \$1.2bn for Conrail.

Mr Crane, Conrail's manage ment, the rail unions and a growing de-rail the U.S. Transportation De- number of congressmen have other

plans, however. Conrail's management began its opposition to the sell-off plan quietcision bas come closer.

The management has recently: • Openly criticised any sell-off plan that would lead to Conrail los-

at congressional-style hearings or-ganised by Republican senators who favour a British Telecom-style

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Lazard group in Mediobanca talks

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LAZARD FRERES, the invest- Generali, Italy's leading in-ment bank, is in talks which surer. could result in the group tak- The Euralux-owned shares, ing 20 per cent of Mediobanca, which total 4.83 per cent of which total 4.83 per cent of Generali, would be used in lieu of cash for a 20 per cent stake in Mediobanca. They have a market value of \$58m. the powerful Milan-based mer-chant bank which is majoritycontrolled by IRI, the Italian state holding group. The stake would be acquired in exchange for a package of shares worth \$98m. A senior executive at the Mediohanca, which last year made a profit of L86bn (\$45m),

is an unusually powerful insti-tution in Italian finance. It is thing in Italian induce. It is effectively run by Dr Enrico Cuccia, aged 77, who bas played a major role in almost every important corporate takeover in recent Italian history. Mediobanca, known for its secrecy as much as its influence, was behind the theorem by Lazard Freres group in Paris said last night that the group had been working on a plan which envisaged a share swap hetween a Luxembourg com-pany controlled by Lazard and Mediobanca. was hehind the takeover by Sweden's Electrolux of the Zanussi home appliance group. Likewise, Mediobanca partici-pated this autumn in the pri-vate consortium which bought

Mediobanca. The idea is for Euralux, the Luxembourg company, to hand ovar to three IRI-controlled hanks which are major share-bolders in Mediobanca, a pack-age of shares in Assicurazioni

Flick arms unit denies sell-off plan

By Peter Bruce in Bonn **KRAUSS MAFFEL one of West** KRAUSS MAFFEL, one of West Germany's leading defence con-tractors, moved yesterday to try to dampen long-running speculation that its parent, the controversial Friederich Filck industrial group, is trying to sell it because of financial diffi-colting

culties. culties. In an angry statement, Munich-based Krauss Maffei, which makes the country's main battle tank, the Ltopard 2, said Flick had bad a good year in 1983 and was expecting even hetter results this year. Take-over speculation was also dam-aging Krauss Maffei's reputa-tion, it said. The statement which is likely

The statement, which is likely The statement, which is likely to add to speculation about the division's future, rather than reduce it, also said Flick had made it clear it did not have to sell Krauss Maffei. - Flick confirmed this yester-day, hut said talks had taken place with parties interested in huving Kraust Maffei. A snokes-

buying Krauss Maffei. A spokes-man sald, however, that a much publicised "asking price" of between DM 280m and DM 300m (\$98m) had never been men-tioned by the parent company. At least two consortia are understood to be trying to buy Krauss Maffei. One, led by Mes-serschmitt-Bolkow-Blohm, has been greeted coldly by the West Carman contail anthorities and German cartel authorities, and the Defence Ministry, which worries about concentrating too much defence contracting with one source. MBB is understood to have subsequently brought in

a small machine tool and glider manufacturer. Grobwerke, to belp reduce its potential stake, and is considering asking a bank

to join in a bid.

control of the Rizzoli publishing Mediobanca. group and its Corriere della Sig Clerilo Darida, the Serra newspaper. Sig Giovanni Agnelli, the Fist Participations, said last night structure and its Corriere della Serra newspaper. Sig Giovanni Agnelli, the Fist chairman, is known to be close to Dr Cuccia and Mediobanca. the Italian Government had its own doubts about the deal. Meanwhile, the Communist Party put down a motion in Parliament opposing the move. A number of Italian to Dr Cuccia and Mediobanca. Sig Agnelli admitted in a state-ment this week that one of his family's many finacial holding companies actually owns a very small indirect stake in Euralux. the Luxenbourg vehicle through which the Lazard Agnelli family vehicle owns a tiny stake in Mediobanca plan could founder if political oppo-sition in Rome continues to mount, as it bas in recent days. Trofessor Romano Prodi, presi-dent of IRI, Is believed to have doubts about tha entry of Lazard, a foreign entity which would dilute state control of

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### Hitachi climbs 27% at midway

BY ALAN FRIEDMAN IN MILAN AND JAMES BUXTON IN ROME

TOKYO. — Hitachi's group net communication systems and earnings climbed 27 per cent in the first half to Y101bn sales category, rose 38 per cent (\$407.8m) from Y79.4bn a year from a year earlier to Y741bn. earlier. Sales of semiconductors, Sales of semiconductors, the results of the parent and 46 subsidiaries, including eight of overall sales. The consolidated report covers subsidiaries, including eight v2.467bm from Y2.091bn and conductor (MOS) devices, and Sales of semiconductors, the results of the parent and 46 subsidiaries, including eight subsidiaries eight subs

resents 10 shares. A favourable sales perform-ance for Hitachi's industrial and consumer electronics products

contributed particularly to the company's steep rise in earn-ings, But all five of the group's sales categories showed gains. Sales for information-Hitach's overseas sales

Sales gained 18 per cent to Sales gained 18 per cent to Y2,467bn from Y2,091bn and pre-tax profit rose 30 per cent to Y247.29bn from Y190.83bn. Per-share net advanced to Consumer - product sales, Sales of semiconductors, especially metal-oxide semi-conductor (MOS) devices, and conductor (MOS) devices, an

Y443hn. Sales of industrial machinery

### Turkish bank lifts capital BY DAVID BARCHARD IN ISTANBUL

AKBANK, Turkey's largest banks face major difficulties as privata bank, is to triple a result of the Government's its capital from TL 15,000bn to economic reform which have led to an upsurge in bad debt TL 50,000hn (\$115m), Mr Erol experience. However, a few Turkish banks, along with foreign banks in Turkey, have adjusted assets management and auditing pur-poses to take advantage of tha Sabanci, the chairman, said yesterday. The bank will also increase its required reserves by TL 35,000bn.

The additional cash will come

The additional cash will come poses to take advantage of tha from the bank's shareholders, new conditions. the Sabanci Holding Group, one  $\odot$  On Monday Sabanci Holding of Turkey's largest industrial is due to sign a \$25m loan groups. Recently, Mr Sabanci agreement with 10 international reported that the Akbank en-toyed the most successful year in its history.  $\odot$  Or Monday Sabanci Holding to due to sign a \$25m loan of the loan is the first of its kind to have been secured Most of Turkey's private by a Turkish industrial group.

### Motorola in Taiwan venture By Our Financial Staff

MOTOROLA of the U.S. is planning a \$48m investment in Talwan to assemble and test large-scale integrated circuits.

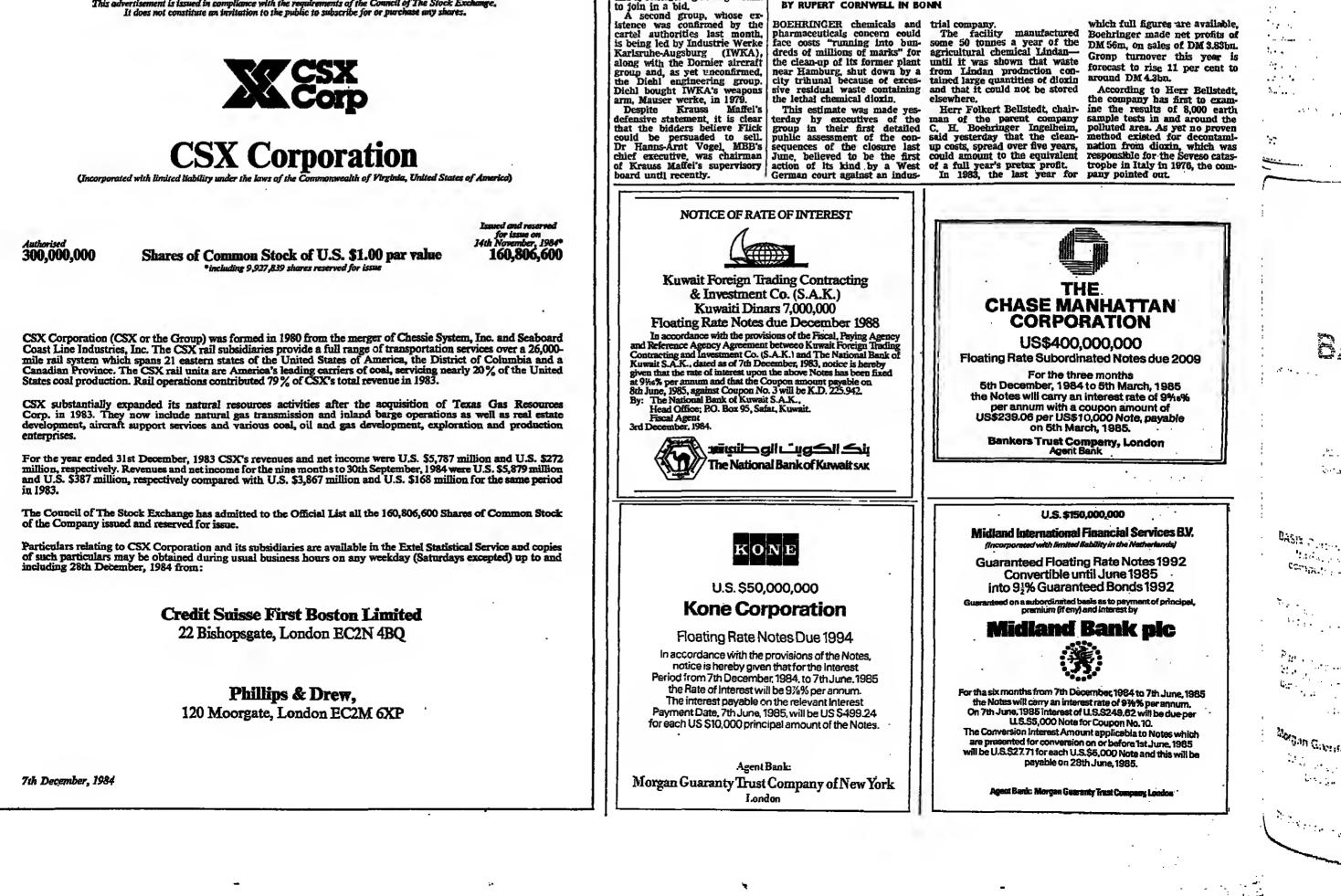
The investment represents further progress in Talwan's driva to attract state-of-the-art technology, especially in micro-

Boehringer may face big clean-up bill BY RUPERT CORNWELL IN BONN

For the year to March 1985, Hitachi expects group net income to rise 21 per cent to Y20\$bn from last year's record Y203bn from last year's record Sales are expected to reach a record Y4,930bn, surpassing the previous record of Y4,367bn last year, on steady growth of sales of computers, electronic devices and VCRs. Separately Hitachi says it has developed a CMOS 32-bit micro-processor test chip with full 32-bit address and data structures. structures

Agencies





### **INTL. COMPANIES & FINANCE APPOINTMENTS**

### Chris Sherwell on the collapse of Singapore trader Hoo Thye **Red** faces at Abalone Man's fall

taken bad losses

NINETEEN BANKERS Singapore, all but four of them factor. foreign, face a prospective loss totalling almost S\$100m (U.S.\$45.2m) because of last

(U.S.\$46.2m) because of last weekend's collapse of Chop Hoo Thye, a wel-established import-export house run by a local Chinese trader. The two biggest creditors are the two biggest creditors are che government owned Develop-ment Bank of Singapore (DBS), one of Singapore's "big four"

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Chinese trader. The two biggest creditors are the government-owned Develop-ment Bank of Singapore (DBS), one of Singapore's "big four " commercial banks, which extended loans amounting to S\$18m, and Chemical Bank of the U.S., which lent an esti-mated \$\$17m. Apparently these loans were unsecured. loans were unsecured.

On Wednesday the High Court appointed Peat Marwick Mitchell as receivers to handle the liquidation of Hoo Thye. In another development, receivers another development, receivers were also appointed for a related trading company, Yak Mong, which is reported to have debts totalling \$\$27m. Further legal actions are possible as efforts to recover the money

widen. Hoo Thye's crash was only partly because of a downturn in business. It seems the decline in the local stock market, where some of the company's money

was invested, was also a major

Hoo Thye traded mainly in canned foodstuffs and was best known for its line in abalone.

America, Mitsui Bank, Banque Nationale de Paris, Société Generale. Société Generale de biggest crash of a private company since Lee Wah Cane Furniture folded in early 1983.

Furniture folded in early 1983. That involved a sum of more than \$\$50m apread among 24 banks, most of them foreign. Bankers say the latest failure underlines the need for a central credit information bureau in Singapore, hut its real significance is that it again exposes the hazards of "name lending" which forms the basis of many banks' relationships with local businessmen. Such arrangements mean it is usually impossible to distinguish loans The two--Four Seas Communi-cations Bank (part of the Overcations Bank (part of the Over-aca-Chinese Banking Corpora-tion group) and Asia Commer-cial Bank—claim to hold goods at Hoo Thye's warehouses as security against their estimated loans of around \$\$10m each. impossible to distinguish loans to a business and loans to an individual.

The fourth local hank involved is Chung Khiaw Bank, part of the United Overseas Bank In the cast of Hoo Thye, money went into stock market gronp dealings. The local market has fallen sharply from its February peak, and some punters bave Thye bad been circulating for

some time, and were the reason Four Seas and Asia Commercial Bank had tried to secure their The affair also says something about the involvement of foreign banks in this type of loans. Chemical Bank served injunctions last weekend to prevent assets being removed. lending. Those hit by the collapse are Bank of Canton (from Hong Kong), Ban Hin Lee (from Malaysia) Banque Fran-The Monetary Authority of caise du Commerce Exterieur, Bangkok Bank, Bank of

The Monetary Authority on Singapore, the country's quasi-central bank, bas stayed in toucb with the affair both through its routine monitoring of the financial sector and by disart inquiries direct inquiries. Generale. Societe Generale de Banque (from Belgium), Lloyds European Asian Bank, Banque Worms, DG Bank (of West Germany), and Arab Banking. Two of the four local banks involved in lending to Hoo Thye did not join the petition for receivership, which was co-ordinated by Chemical Bank. The two-Four Seas Communi-The beavy involvement of DBS is something of an embar-rassment for the government, and may revive calls for greater prudence in lending hy local banks. One newspaper bas al-ready argued editorially for a

ready argued editorially for a "greater sense of professional-ism" and a "deeper appreci-ation on the part of hankers of their role in society as the guardians of other people's money." tors.

Given the tiny size of the market and the strong inclina-tion to secrecy in Singapore, it is inevitable that a flood rumours bas swamped the fin-ancial district since the news broke. But it is clear that no Bank is likely to be affected Bankers aaid yesterday that financially by the Hoo Thye col-reports of difficulties facing Hoo lapse. The real pain lies in the

Senior post at Fairey Holdings Mr Graham S. Clarke, financial director of FAIREY HOLDINGS for the last four years, has been appointed managing director of its energy and military engineering division. He will become chairman of the major companies in the division including Fairey Engineering. Stockport, and Elequip, Leicester. Fairey Hold ings is the engineering sector of Pearson.

Mr Alan Tidy has retired as manazing director of ECONOMIC INSURANCE COMPANY. Mr Jorn Ole Jorgensen has been

Mr Phil Sewell bas been appointed technical director of ANYSPEED with responsibility for AC and DC drives. Mr Michael R. D. Dunn has

Mr Christopher Parker, chief executive of ORACLE Teletext will be leaving in the new year to become commercial director of heen appointed a non-executive director of NEWMAN INDUS-TRIES. He is director of engineering, Rolla Royce Motors. SAATCHI AND SAATCHI CON-SULTING. Mr D. E. G. Roberts and Mr D. A. Hulsh bave joined the partnership of ASHTON TOD MCLAREN, stockbrokers, Liver-pool. Mr Roberts will act as

joint senior partner with Mr Mark Leather.

Mr Urs Eberbardt has been promoted to senior vice-president SWISS BANK CORP., London, from January 1, taking over administration and system development responsibilities. He will remain in charge of the private client and investment divisions. Mr Christopher Jansen

bas heen appointed vice-president from January 1, and wilt be in charge of administration of staff.

nonted managing director of NORBAIN DATA. He was UK marketing manager at Mannes-

man Tally.

On January 1 Mr J. Moger Woolley, assistant macaging director of DRG becomes chief appointed general manager and will have overall responsibility executive of UK operations. Mr John S. Camm, chairman and managing director of DRG, coo-tinues as group chief executive responsible for overseas operauntil a British general manager can be appointed.

> TOM MARTIN METALS CEOUP has appointed three additional board members: Mr K. Kranleb, managing director of Toma Metall in Dusseldorf, Mr I. C. Cralg managing direc-tor of Avon Metals in Gloucester and Mr J. C. Gee, director of Tom Martin and Co in Black-hurn. hurn

Mr Hiroaki Yamataka has been appointed a director of GRIEVESON GRANT PACIFIC.

SCUSA Inc.

Holmes Protection Inc.

The undersigned acted as financial advisor to SCUSA Inc.,

provided loan finance and underwrote

its equity offering.

Mr Peter J. Howell, managing director of the MERCANTILE AND GENERAL REINSUR-ANCE CO, retires on December RESEARCH. 31. Mr John Lock, general man-ager, will assume the executive responsibilities of Mr Howell.

Mr Peter Robinson bas been appointed managing director of Reed Group subsidiary, BUT-TERWORTH (TELEPUBLISH-ING) LTD. Mr Robinson joins BTL from Reed Publishing where he was administrative director director.

He will also be appointed director from January 1.

\* Mr Nigel Davies has been ap-

\* Ms Marie-Louise Windeler joins HILL AND KNOWLTON (UK) as a director and head of the consumer division on January 1. She replaces Ms Suzanna Hammond who has been promoted to deputy managing director.

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Mr G. V. Bayley and Mr J. C. G. Stancliffe have joined the hoard of SWISS REINSUR-ANCE COMPANY (UK).

Mr Brian Eggleston is to join A H. GUEST as managing direc-tor early in the New Year. Guest is an associate company of the Ford and Weston Group.

Mr Tom O'Dwyer, general manager, baa been appointed director of PIPELINE

DERRITRON GROUP has appointed Mr Jack Considine as sales director from January 1.

embarrassment Mr Stuart McDonald bas been



yesterday posted unaudited is ungeared. after-tax profits of HK\$214.3m The interim dividend is seven (U.S.\$27.4m) for the six months, cents, up from 4.9 cents. cents, up from 4.9 cents. The group's residential and commercial properties on the to September - 28.4 per cent up on the HK\$166.9m earned in the six months to June 1983. Deposits and bank balances Kowloon waterfront, some of which were only completed in January, are now 93 per cent let in a weak rental market.

Deposits and bank halances improved as the property port-folio-comprising 20 acres of commercial and residential pro-party on the Kowkoon water-front and a controlling stake in four hotels-generated "con-siderable recurrent earnings." The group's 45 per cent con-trolled associate Harbour Centre Development, which owns three hotels in Hong Kong and one iderable recurrent earnings." in Singapore, shows a recovery The performance is in line in half-time attributable profits with market expectations, but in to HK\$41m marked contrast with that of slipped 35 most property companies in EK\$27.6m. Last year they

per

cent

to

NOTICE OF EARLY REDEMPTION

### Svenska Handelsbanken US\$35.000.000

Floating Rate Notes Due 1987 ted as to payment of principal and interest)

NOTICE IS HEREBY GIVEN to the bolders of the above Notes and coupons relating thereto that, in accordance with Conditions 7(c) and 15, all the Notes

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### **Cement glut hits earnings** at two MUI subsidiaries

TWO LISTED subsidiaries of 
The battle for control of the diversified Malayan United Kamunting Tin, a small listed Industries group, involved in Malaysian company, between the production and marketing the Malaysia Mining Corporaof cement, have reported lower tion (MMC) and dissatisfied earnings due to a cement glut minority shareholders, remains in Singapore and to a lesser deadlock following the adjourauon (MMC) and dissatisfied minority shareholders, remains deadlock following the adjoura-ment of an extraordinary general meeting. The dispute extent in Malaysia, is now likely to go before the

Pan Malaysia Cement Works, which together with Malayan Cement, Malaysia's biggest cemen toperations, had pre-tax profits of 17.3m ringgit

Kamunting. In first half pre-tax profits from

is optimistic of satisfactory aecond half results, while PMRI per cent. The meeting was adjourned

expects another profitable year. PMCW is lifting its interim for three months to allow the chairman to seek advice on the

**Fraser and Neave to sell** 

appointed to the hoard of LONDON AND EDINBURGH TRUST as joint managing direc-tor. His responsibilities will in-clude the financial and treasury functions and the financial ser-vices division of which he vices division, of which he becomes chief executive. Mr McDonald is resigning as a direc-tor of N. M. Rothschild and Sons to take up his new appointment on January 1.

CONRAN ASSOCIATES has appointed Mr Barry Finnegan, who is currently managing Aquascutum in the U.S. as man-aging director from January 2. This will enable Mr David Saiter to concentrate on directing operations. Mr Christopher Weeden, who controls the Paris office, joins the board.

Mr Don G. Fairley has been appointed sales and marketing director of ROCKWARE GLASS. He was with Metal Box.

SARASOTA TECHNOLOGY, Winchester, has appointed Mr Michael Norman Richardson as a non-executive director. He is a commercial lawyer and manag-ing director of Quadrant Associates,

The DECLAN KELLY GROUP has appointed Mr Kelth-Lidgate as group finance director. He was with Touche Ross.



### December 6, 1984

has acquired

\* SCOTTISH WIDOWS' FUND AND LIFE ASSURANCE SUCLETY has appointed Mr G. R. G. Graham, a director. He Is a partner in Maclay Murray and Spens, and currently presi-dent of The Law Society of Scotland. Mr P. J. Brickell has joined the partnership of TEATHER & GREENWOOD, stockbrokers.

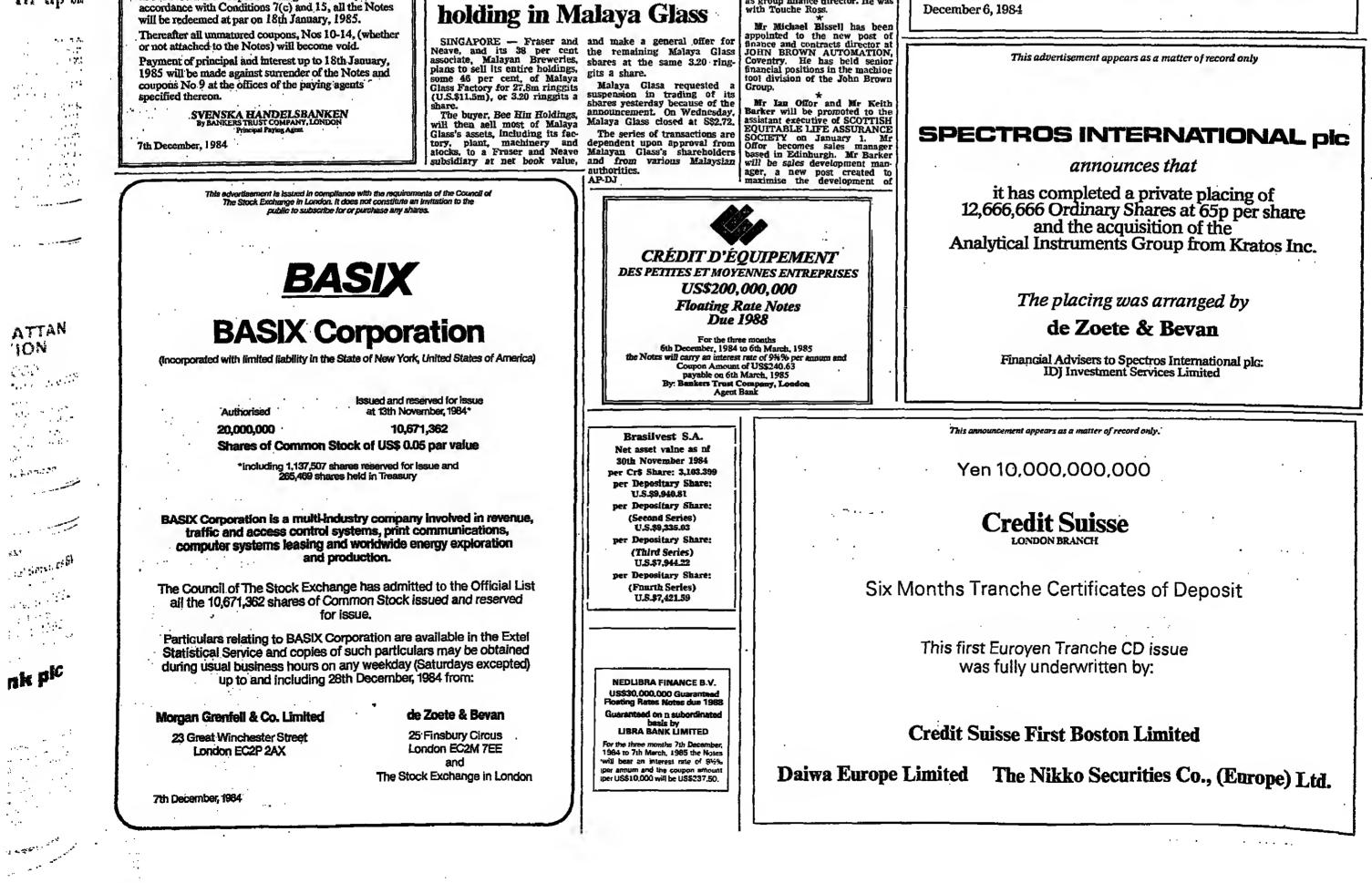
Mr Philip Droog has been appointed managing director of FLUIDRIVE ENGINEERING CO and S. E. OPPERMAN, both

courts.

The meeting was called by minority sharehoders supporting (U.S.\$7.2m) for six months to Datuk K. C. Kob, to approve September, down by 10 per among other things, the replace-cent. ment of the four MMG directors Pan Malayan Rnhber In- with Datuk Koh's nominees and Pan Malayan Rnhber In- with Datuk Koh's nominees and dustries, which distributes the removal of Pernas Charter cement in Singapore, ex- Management, the MMC manage-perienced an even sharper fall ment company, as managers of

7.9m ringgit to 1.7m ringgit. MMC has 24 per cent of PMCW said it expects con. Kamunting, while Datuk Koh's ditions to be challenging, but supporters claim they have 30

dividend to 3.5 cents from 3 legality of the nine resolutions cents, while PMRI is maintain-ing its dividend at 6 cents.



### THE PROPERTY MARKET BY MICHAEL CASSELL

### Amey in £75m shops plan ICI's search leads

THE RUSH to develop giant roads in order to cope with the will provide the required additional traffic. About 3,000 finance. around London has been joined new jobs could be created. It was also disclosed yesterday by Amey Roadstone, which is planning a £75m retail develop-ment alongside the M25 motorway in Berkshire.

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The proposals centre on a series of worked-out gravel pits at Hythe End, near Wraysbury. About 80 acres of the 260-acre site will be given over to shopping and the remainder will provide sports and recreation facilities for the local community.

Earlier this year, Capital & Counties and Town & City announced competing plans for armounced competing plans for regional shopping and leisure centres at Thurrock, on the eastern side of the capital. The proposals, likely to cost between £75m and £100m, are almost certain to be called in for a public inquiry. public inquiry.

ARC announced yesterday that its own proposals will form the basis of a planning application, in the next few weeks, to the Royal Borougb of Windsor and Maidenhead. The group wants to develop over 1m sq ft of retail floorspace and says it is confident it will attract major store groups to the site. Medium-sized and small shop units will also be provided.

Wheo the M25 motorway is completed it is estimated that around 1.5m shoppers will be within a 20-minute drive of the

planned development and ARC says it is prepared to fund im-provements to existing access

ARC ceased gravel extraction that the Carroll Group has been ARC ceased gravel extraction on the site in 1979, after 40 years production, and total de-velopment costs include the extensive infilling of the watar-filled gravel pits. The group says tha 130 acres not occupied by the shopping centre will provide selected to develop a retail leisure and husiness park on the site of the former Croydon B extensive infilling of the watar-filled gravel pits. The group says tha 180 acres not occupiad by tha shopping centre will provide for the local community. ARC will not yet comment on

ARC will not yet comment on occes of land. Work will begin funding arrangements but it within the next two or three seems likely that Consolidoted years, as soon as demolition Gold Fields, its parent company, of the power station is complete.

### Asda signs for the Den

MILLWALL FOOTBALL CLUB has signed contracts with Asda for the development of a super-store on a six-acre site adjoin-ing the Den, the south-east Lon-don club's ground. The site has

for the development of a six-acre site adjoin-store on a six-acre site adjoin-ing the Den, the south-east Lon-don club's ground. The stee has beeo purchased by Millwall and planning permission is now being sought. The deal ends over five years of negotiations on proposals to redevelop the Den, involving Millwall and Asda. If tha de-yekopment goes shead, the entire watargn a compre-The deal ends over nive years of negotiations on proposals to redevelop the Den, involving Millwall and Asda. If the de-velopment goes shead, the entire ground will undargo a compre-hensive modernisation and im-provement programme. The pro-

posed store will extend to around 70,000 sq ft and there will be parking for 540 vehicles. Mr Alan Thorne, chairman of Millwall, said yesterday: "Our fans have bad to pot pp with

THE INTENSIVE but abortive THE INTENSIVE but abortive search by Imperial Chemical Industries for an alternative Loodon headquarters building seems strangely at odds with recent images of a property market bogged down in surplus office space

Despite two-year investiga-tion, in which ICI took a look at new fewer than 108 possible buildings or sites, it has finally decided there is no place like The group was prepared to move and anxious to move but, at the end of the hunt, was forced to conclude that It could

find nowhere more suitable than the Millbank building it has occupied for the best part of According to Malcolm King of King and Co, the agents who assisted ICI in their search: "The outcome speaks volumes about the state of the central London office market. Our efforts were confined to Victoria and the West End, both mar-kets in which the continuing oversupply of space has been the predominant theme.

sions Investments for about \$4.28m. The estate, close to the proposed Stockley Park development, produces an when confidence " But drained away from the develop-ment market it bit big schemes in particular. Prohlems over obtaining sizeabla planning con-sents have added to the diffi-sultion and the end result in an annual income of over £321,000, Peter Taylor acted for Higgs and Hul. SCAMPI were advised by Hoddell Stotesbury.

back to Millbank The situation has been re-

peated in the City, where large chunks of floorspace are now extremely difficult to locate and are likely to become increas-ingly rare if current thinking within the City Corporation is translated into planning reality.

As for ICTs dilemma, King says hone of the buildings con-sidered were suitable and that the group simply had no alter-native but to consider the modernisation of their existing Willback complex Millbank complex.

ham Palace Road which ICI believed It would have trouble adapting to its own use, and the United Real Property scheme in Victoria Street, con-sidered to be too small.

Now the gronp will isolate about 130,000 sq it of floorspace in the south wing of Imperial Chemical House and modernise it for its own use. The remain-ing 150,000 sq ft will be culties and the end result is an developed to provida office extremely limited choice of accommodation that will be let larger, modern properties." or sold.

### Norwich Union picks up a plum

NORWICH UNION seems to have got the better end of the deal in its purchase of Plum-tree Court, the stylish City of London office building deve-loped by Trafalgar House. Beyood confirming this week that a widely expected sale has been agreed, Trafalgar bas not which represents one of the biggest investment deals seen in the City this year. Disap-

biggest investment deals seen and has been on the investment Union are getting a good buy," in the City this year. Disap-pointment at the final outcome may be partially behind some of its reluctance to spell out the facts. But it is now clear that Plum-tree Court, completed in 1983 on the site of tha former London

Cussins gets down to the Houndsditch CUSSINS PROPERTY is to redevelop the former Hounds-ditch store in Peckham High Street. It has purchased the 4-acre site from ArgyI Stores (Properties) and intends to develop 93,000 sq ft of shop-ping space and 200 car park-ing space. • Landscer Property has pur-chased a L1 acre site at the junction of Kensington High Street and Earls Court Road from Illingfield Securities and from Illingfield Securities and intends to develop 33,000 sq ft of offices, 21,000 sq ft of unit shopping and 37 resi-dential units. Chestertons are retained as agents. • Crowngap Developments, in association with Royal Life, has completed and let its 36,000 sq ft Camberley office scheme to Systems Designers, the computer company. The

The £10m development will be undertaken in conjunction with Argyil who have agreed with Argyll who have agreed o 35-year lease of the anchor store for Presto, which already has a store on the site. The entire scheme, to be developed in two phases, will be completed in 1987 and Cussins anticipates an initial rental income of over £925,000 a year. the computer company. The tenant for Pembroke House will pay an annual rent of 5370,000. Letting agents for the property, with an invest-ment value of £5.5m, were Weatherall Green and Smith. St Quintin and Messenger May Baverstock.

St Qumin and messager may Baverstock. • Eagle Star and Cruden Developments have con-firmed that Hewlett Packard are taking Central Square, Uxbridge, the 130,000 sq ft office scheme, at rent of around £14 a sq ft. Hampton and Soms are to dispose of four surplus floors. • The London borough of Barnet is to acquire a 20 year lease from British Ever Ready on Venture House, the 77,500 sq ft office building in High Road, Whetstone, D. E. and J. Levy arranged the assignment, with a passing rent of £575,000 a year.

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Among the buildings on the final shortlist were Victoria Plaza, the 200,000-sq.ft office complex developed by Greycoat London and Norwich Union. It was considered too large and— like many other prospective tenants—ICI found the anony-mous access unattractive. Other

mous access unattractive. Other contestants were New Buckingham Court, the Chesterfield Properties' scheme in Bucking

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TO LET

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### **One small step for property** one giant leap for JLW

On 3rd December we launched ourselves into new space at 22 Hanover Square leaving our established pad in Mount Street. Our City base, however, remains secure in Moorgate. On 17th December three specialist 'satellite' departments will link up with,

and strengthen, the corporate body in Hanover Square – they are: JLW Estate Management Services **JLW Development Services JLW Building Surveying Services.** 

A booklet describing the firm's comprehensive spatial services is available from the JLW Information Desk, 22 Hanover Square.

22 Hanover Square London WIR OJL England. Telephone 01-493 6040, Telex 23858

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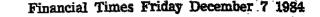


Kent House Telegraph Street Moorgate EC2R 7JL Telephone 01-638 6040 Telex 885557



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### **UK COMPANY NEWS**

### Bass tops £218m and lifts its market share

FURTHER GROWTH was achieved by Bass over the second six months which enabled the brewing and leisure group to lift its profits before tax to a record £199.3m (£494.fim). Respectively, the operations of £30.2m (£494.fim). Respectively, the operations of £199.3m (£164.3m) and £30m (£32.4m). Coat savings and greater effet.

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Coat savings and greater effci. ency saw profits growth outpace f175m to f218.4m and were an incersse in turnover of some struck after deducting interest 13 pcr cent.

Mr Derek Palmer, the chair-man, said the group would be trying to maintain the rate of growth again this year but added that " it is going to be that mucb hearder" harder."

During 1983-84 sales were ahead in all divisions with those of beer particularly buoyant. The group reckooe it increased its share of the beer market over the period by one per cent to 21 per cent.

Mr Palmer said that in volume terms the industry increase was probably some 0.5 per cent but Bass had been "substantially better " than that.

Group turnover expanded from £1.99bn to £2.25bn with the brewing, drinks and pub re-tailing contribution at £1.88bn (£1 49hn). The leisure activities.

**GUS** grows

to £105m

at halfway

MAIL order, Burberrys and the finance and property operations

of the Great Universal Stores concern all showed an improve-

ment and lifted taxable profits for the half year ended Sep-tember 30 1954 to £105,11m,

compared with £92.23m. The directors point out that

all other divisions, which include manufacturing, merchanting and

travel, maintained their contri-bution to the result, Excluding VAT, turnover passed the film mark for the first time at fl.04bn, against cosl 3m

£951.3m. Stated earnings per 25p sbare were 24.32p, compared with 21,77p and the Interim dividend is boosted to 6.25p (5.5p) net

Is it time for a rerating of Grest Universal Stores, which has for so loog traded at a discount to the rest of the retail sector? The group's slow and steady profits growth looks uninspiriog when times are good for other retailers, but when there are hard it is a

• comment



charges of £16.9m, compared charges of 210,000, with £22.2m. A final dividend of 9.6p (5.43p) raises the net total from 11.36p to 12.9p per 25p share.

to 12.9p per 25p share. The policy of investing sub-atantial sums in the improve-meot and expansion of group facilities and retail outlets was maintained. During the year capital expenditure of £180m was incurred and £263m is pro-jected for the current year of which about balf will be spent merit in extended bours. He added: "I do not think we would used bours. He sadded: "I do not think we would just have increased costs." Within the leisure interesta, borels were the best performer. Next best was bingo, followed by bookmaking and bolidays. Mr Palmar said the miners' strike bad bit the bolidays

200 by soma 2,000 to 69,192. Of the total 1.500 jobs were lost on the non-retail side. The group maintained its posltion in inaditional ale, and lager was very substantially increased. Mr Palmar revealed that Bass

was now moving to a point where lager would make up balf of its beer sales. The percentage split last year increased from 42 per cent to ds per cent 46 per cent. Commenting oo whether

Commenting oo whether or not licensing hours should be scrapped Mr Palmar said his group was in favour of flexible hours but saw no particular merit in extended bours. He added: "I do not think we would sell more beer. We would just have increased costs." Within the leisure interesta, borels were the best performer.

Alter . Mr Dcrek Palmar . . . in favour of fiexible bnurs

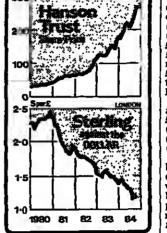
business, although he could not put an exact figure on its cost. Holiday results overall chowed an improvement but were not up to previous expectations. On the search for a U.S. botels i chaind Mr Palmer said: "We are still thinking." ebare.

ehare. A group statement of source and application of funda shows a 557.8m (£11.6m) improvement in liquid funds. Net curreot assets totalled £67.3m (£46.5m).

### Hanson comes of a whole was restricted in its takeover ambitions because of age with its size and "on the leisure side we have to be very selective because there is a lot of rubbish about." Mr Palmar said he had now 86% rise

ANNOUNCING AN increase of 86 per cent in taxable profits fur the year to end-September for the year to end-September 1984, the 21st year of trading, Lord Hanson, chairman Hanson Trust. Says that the growth rete of earnings and dividends was more than twice the UK industrial average. The com-pay, now with a market capi-talisation exceeding £1.7bo, " is among the top 20" in Britain. The profit, at £169.1m agaist £91.1m, represents a record performance both at bome and in the U.S., where almost half

vest further in bolidays. Tax for the past year tonk 574.7m (f61.7m) to leave net profits £30.4m ahead at f143.7m. Below the line there was an extraordioary debit of f9.2m for deferred tax which is likely to arise in future years and minorities of f0.9m (f0.6m). The available balance for ordinary charebolders amounted to £133.3m (£112.4m), equal to earnings of 41.9p (36.7p) per 300 Pence



nf the surplus was earned in the tenth consecutive year nf growth. The period witnessed the acquisition of U.S. Indus-tries Inc., Hanson's largest purchase. The chairman attributes the USI and the London Brick

USI and the London Brick acquisitions to the strength of the balance sheet, and he adds the balance sheet, and he adds "we start the new year with larger resources than ever." Dividends are to be raised by an effective 1.67p to 5p net per share with the recommenda-tion of a 3.25p final, compared with an adjusted 2p, and there is to be a forther one-for-two series is the inter one-for-two series is the inter one-for-two scrip issue in January. Stated earnings per share have risen

undiluted, Sales of this diversified in-dustrial bolding concern totalled £2.38bn (£1.48bn), a rise of 61 per cent. Highlights of the UK trading performance were the £24.8m (£6.7m for five months) contribution from Aliders, a rise of more than £11m, to £31.9m. at British. Ever Ready, and a more than four fold increase at Hanson

### Fourth quarter rise pushes BOC profit to record £138m

FOURTH QUARTER profits of £37.1m, against £31m, have pushed full year results of the BOC Group to £137.8m pre-tax, a jump of 44 per cent over the previous £95.5m, and are in line with the forecast of n substantial increases increase Turnover of this gases, bealth

care and carbon products concern expanded from f1.7on to f2.1bn for the 12 months, excluding related companies, while operat-ing profits emerged f62.2m higher at f217.3m. Figures are calculated on a modified bistorical cost basis.

modified bistorical cost basis. The operatiog result was split divisionally as to: gases and cryogenic plant £145.1m (£123.4m); bealth care £63.8m (£56m); carbon and carbida £11.7m (£10.5m loss); welding £3.1m (£2m loss); other busi-nesses £9.3m (£4.7m); corporate £17.3m loss (£6.8m loss); discon-tinued businesses £1.6m (£9.7m loss).

Index bilanciasts from (20.7m loss). The same figures were split on a regional basis as to: Europe f63.1m (f53.6m); Africa f20.4m (f22.3m); Americas f80.7m (f23.5m); Asia/Pacific f53.1m (f41.2m). The spear business improved

(f41.2m). The gases business improved by 17 per cent and, in the main, came from the U.S. and the UK where the group enjoyed the benefits of its investments in new plant and new applications technology during the economic

recessions. Within the health care division — up 14 per cent — the anaesthetic pharmaceuticals busi-ness, Anaquest, Glasrock Home Health Care and the international business of Ohmeda all per-formed well, the directors state. However, the Ohmeda side in the U.S. put in poor figures. This was due principally to the effects of the vigorous cost containment measures undertaken in the American health care system, and also to the adverse impact that the highly valued dollar had on its exports. The directors point out that the graphite electrode business ourset by the effect on exports from the U.S., outparticular the directors state. However, the Ohmeda side in the U.S. put in poor figures. This was due principally to the effects After ACT written off earn-ings per 250 share are. shown, on a net basis, as 20.440 (14.56) undiluted and 18.87p (13.480) diluted. The dividend is lifted to 7.7p (6.3p) net with s'final payment of 4.55p.

### Wagon Ind. rises midway

WITH MOST of the group's UK companies having a significantly better first half, compared with last year, pre-tax profits of subsidiary. The directors, how-wagon industrial Holdings, msterial handling and storage, office equipment and engineering office equipment and engineering office additional and storage, office additional and engineering office additional and storage, office additional and additional and storage in proved on its position during the interim dividend has been lifted from 2p to 3p net per 25p share and although this in is ine with the improved trading performance, it is also to reduce disparity with the final; hast year this was 4p. Turnover increased by £3,73m to £34.04m



**Allied Colloids profit** 

margins show increase

growing and agricultural opera-tions are already recovering. Milk production quotas im-posed last aoring seriouely reduced cattle feed sales in the opeoing half. Pauls Agricul-wire and agricultural opera-trange of special soups is most wire successful." Mr Falcon says that on the the opeoing half. Pauls Agricul-wire are and in malt it reacted to the fall retirement of Mr F. A. Heaton. Werheim, the managing director maltings. Meanwhile, the pig-Mr Falcon says that on the retirement of Mr F. A. Heaton-Merheim, the managing director of Pauls International, the U.S.

flavours company Reynaud will join Pauls Flavours & Frsg-rances, Animal feed exports will become part of Paul's Agricul-

Continuing delays in planning approvals have caused cancella-tion of the Heartland Farms pig project in Colorado.

#### comment

The net interim dividend is being held at 2.5p per 25p share. Action bas been taken to reduce costs to combat the difficulties encouotered in the company's traditional markets of animal feed and mait. The newer activities are all Telford Foods "Is achieving its

rearing businesses, which were losing money in the trough of

put back bis target to achieve a 75/25 beer and leisure interests split to five years on.

The expansion would, he said,

mainly be on the hotels side and, once market conditions improved, the group would in-vest further in bolidays.

See Lex

### **Penny and Giles plans** 23.5% placing on USM

Penny and Glies International, nearly 33 per cent of the equity, company which makes advanced and Mr Giles with just over 25

growth looks uninspiriog when times are good for other retailers, hut when times are hard it is a different matter. Perhaps the fact that sector leaders like Marks and Spencer and Habitat Mothercare have recently been marked down a little in the Gity indicates that investors are more

• comment Although the buoyant trading environment plays a part, Allied Colloids is one of those com-panies whose shares always shine when sterling is under pressure and particularly when the U.S. dollar is strong. This is under-standable given that more than 80 per cent of the group's sales originate overseas. But, while basking in this somewhat arti-ficial climate, the market has clearly overlooked the impact of

#### BY STEFAN WAGSTYL

a company which makes advanced control and measurement instru-mentation, yesterday announced details of its imminent quotation on the Unlisted Securities Market. Stockhroker Quilter Goodison Is placing 23.5 per cent of the sbares, at 130p each. Of these shares, issued to raise about £530,000 to help finance the company's expansion plans. and Mr Giles with just over 25 Penoy and Giles, which bas factories in Christeburch, Dorset, and in Blackwood, Gwent, is fore-casting pre-tax profits for the about £1.08m. 19.27,000 are new shares, issued to raise about £530,000 to help finance the company's expansion plans.

losing money in the trough of the cycle last year, are now in profit. But the group is concen-trating its long-term expansion plans on the flavours and frag-rances and burnan foods com-panies, recently increased by the acquisition of Telford Foods. For the current year a small advance from last year'a £11.3m pre-tax to £11.5m.£12m can be expected, putting the shares up 5p to 208p, on a rating of about 10. assuming

by 70 per cent from an ad-justed 11.3p to 19.2p undiluted.

four-fold increase at Hanson Brick to £32.6m (£7.8m). In the U.S. there was a contribution of £38.9m from

USI for the five-month period

Richard Giordano, managing director and chief : executive of BOC ef BUC was adversely affected by the strong dollar, "which has favoured Japanese and European competitors." However, both the graphite electrode plant in South Carolina and the coke producing facility in Seadrift, Texas, are operating effectively, while the specialty carbon products busi-ness "had an excelient year." The strong dollar against sterling gave the group some fil2m at the pre-tax level, but directors say this was more than offset by the effect on exports from the U.S., The pre-tax figure also in-

fashion shops and of furniture. Meanwhile, the finance husiness, concentrated on consumer credit which the group knows best, continues to expand. There is to investors than in the past, with a 13.6 per cert increase in the dividend. For the year the group sbould make about £260m pre-tax, putting the sbares on a p/e of just over 10, on a 42 per cent tax charge. GUS looks attractive enough to provoke some switching from bigher-rated stocks—it would look even more interesting if it deigned to put a few more facta and figures in its statement. The sterling exchange rate and value. The sterling exchange rate has continued to he favourable to the company's export per-tors access the poat, attractive enough to provoke interesting if it deigned to put a few more facta and figures in its

indicates that investors are more ready to turn to the likes of GUS. They should he encouraged hy these results which put 89 on the non-voting "A" shares to 633p on n duil day. The Eurberry and Scotch House shops and the mail order business are performing strongly, more than compensat-ing for the weakness of the fashion sbops and of furniture. adversely affected by the coal dispute, overseas sales bave con-tinued to grow, both in volume and value. The sterling exchange rate

Acquisition of

**Industrial Waste Service, Inc.** 

by

Attwoods

and

2 for 1 Rights Issue

to finance the Acquisition

**ROBERT FLEMING** 

& CO. LIMITED

acted as financial adviser

in this transaction

and underwrote the Rights Issue

clearly overlooked the impact of the miners' strike at bome. No figures are given but the com-pany discloses that UK sales were "adversely affected." This overpany which first made its name forecast a dividend for the cur making "black box" flight rent year of 1.21p net. Net assets recorders for aircraft. The plac- per share are put at 56.9p. ing leaves Professor Penny with Dealings start on December 13

plans. main companies — conductive The remaining 1.54m shares plastics, recorders, potentio-are being placed on behalf of meters and transducers. existing shareholders, including On the 1983-84 profits, given a Professor William Penny, the 25 per cent tax charge, the shares chairman, and Mr James Giles, a are being placed on a historic director, co-founders of the com- multiple of 14.5. The directors

### **RKP** back in black at halfway

Stated earnings per 25p share were 9.1p (loss 4.4p) and again there is no interim dividend.

Rontledge & Kegan Paul, pub-lisber, continued its recovery stesdy margins and controlled programme in the six months to overheads, enabled the company September 1984 with a return to to achieve a level of profitsbility september 1354 with a return to to achieve a level of profitshility pre-tax profits of £104,590 against a compsrable £49,230 loss. Group turnover rose from £2.56m to £2.93m. Stated earnings per 25p share were 9.1p (loss 4.4p) and again

2.93m. Stated earnings per 25p share ere 9.1p (loss 4.4p) and again here is no interim dividend. The directora state that pany showed s loss of £242,595. (12p).

**COMPANY NEWS IN BRIEF** 

### After tax at £43.4m against £27.5m and minnrity interests of £0.4m (£0.8m) there was an extrandinary debit of £3.1m (credit £0.7m), leaving £122.2m (£63.5m) available

for distribution. See Lex

### Edbro Holdings

A drop of some 9 per cent in pre-tax profits at Edbro (Huld-ings) for the first half to Sep-tember 30 1984 is described by the directors as somewhat "disappointing." Profits of this engineer fell from £1.1m to £1m oo turnover of £9.2m (£9.9m). Second-half profits are expected to be not less than the first half the bet fully any result was

share were ahead from 4.4p to

Taxable profits at Property & Reversionary investments, moved ahead from £890,000 to £1.08m in

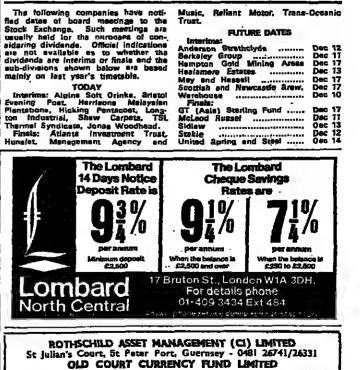
7.2p.

### **DIVIDENDS ANNOUNCED**

Date Corre- Total Current of sponding for payment payment div. year year Allied Colloids .....int. 0.7 0.5\* 12.9 7.7 8.43 3.57 1.38 0.8 2 11.36 6.3 4.2 3 April 3 Jan. 4 Feb. 5 \_ 12 Feb. 2 2.63 Fairline Boats .....int. Feedback ......int. Ferranti ......int 1.5 1.25 0.441 1.25± Feb. 4 1.321 Fine Art ......int. Finlan ......int. Gibbs Mew ......int. Jan. 19 April 8 1.1 1.8 1.1 1.5 1.1 5.5 1.4 2° 2.56 16 1.1‡ GUS ......int. Gresham House .....int. 6.25 1.4 3.25 Mar, 29 Feb. 8 5 3.33\* Keystone Inv. ..... Nottingham Brick ..... 10 9.64\* 3.5|| 6.5 3.7 Feb. 15 2.5 2.5 Jan. 8

Dividends shown pence per share net except where otherwise stated \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Adjusted for subdivision. || Adjusted for scrip and subdivision. \*\* Increase partly to reduce disparity.

#### **BOARD MEETINGS**



0	The company expects a further	An increase in pre-tax profits	Th
æ	advance in the current year.	from 6965 000 to 6906 000 her	1 1
st	Turnover rose to £9.72m (£9.26m)	from £265,000 to £296,000 has	Hu
ed	and earnings per 20p share were	been shown by Windsor Securi-	_
n	4.56p (2.67p loss).	ties (Holdings) for the year to	
ųρ	Loop (Lot p Lous).	the end of September 1984. How-	
•	* * *	ever sfter a tax charge of	
	Pre-tax profits of British Tar	£127,000, against a credit of	
ie	Products, bulk storage, chemical	£32.000, earnings per 10p share	
us	manufacture and merchanting	were shown as falling from 3.Sp	
55	concern, increased from £730,000	to 2.2p.	
n-	to £921,000 for the six months	The directors say that profit-	
ot	to September 30, 1984. Turnover	ability is being maintained and	
le	rose to f13.61m against a	group finances are "very strong."	
le	restated £11.94m.	A final dividend of 0.75p has	5 1
16	Basic earnings per 10p share	been recommended, making a	
	improved from 2.32p to 2.68p.	total of 1.25p, against a single	
	The net interim dividend is	previous payment of 0.75p.	
Ú- ts	lifted to 1.2p (0.8p) and a final	<b>X X X</b>	
	of not less than 2.3p (2.2p) is	Total income of Gresham	11
d	forecast.	House rose from £725,000 to	
to	* * *	£801.000 in the first balf of 1984	1.1
to	Pre-tax profits achieved by	aud pre-tax profits were well up	_
m	West Country brewer J. A.	at £185.000, against £63.000.	-
Q,			
	Devenish rose 6.5 per cent, from £1.92m to £2.06m, in the	Earnings per 25p share improved to 3.6p (3p) and the	11
ĊD,			11
of	year eoded September 28 1984,	interim dividend is 1.4p net	11
9T	and the dividend is raised from	(same).	11
'n	10.25p to 11.5p net with a final	* * *	U.
d	of 9.25p. The current reorgani-	Pre-tax profits of Grainger	H
-	sation is expected to produce	Trust rose from £1.22m to £1.62m	11
	a "good upturn" in trading	for the year to September 30	
ıg	profits in 1984-85.	1984. Earnings per 25p ahare	łF
ig	* * *	were 5.6p bigher at 19.7p and	11
to	Fairline Boats lifted pre-tax	the final dividend is raised to 4p	11
	profits from £246,415 to £402,275		
TO		net for a total payment up from	
he	for the year to September 30	4.2p to 5.25p.	
п	1984 on turnover up to £6.4m,		
90	against £5.2m. The current year	LADBROKE INDEX	1
ct	bas started well with strong		11
	demand for all models.	Based on FT Index	

5.6p bigher at 19.7p and bal dividend is raised to 4p r a total payment up from o 5.25p.	French Francs Hong Kong Dollan Italian Lira	BFr FFr HKS L	40.197xd 808.57xd 101.08xd 100.75xd 25,398xd	
ADBROKE INDEX Based on FT Index 906-910 (+3) Tel: 01-427 4411	Singapore Dollar Swiss Franc US Dollar Japanase Yen Dslly deallags. (Prices xd	5\$ SwFr \$ Y I from 31:	30.21xd 30.0833xd 15.16xd 3519.98xd st October 198	-

rainger £1,62m ber 30 ahare	Sterling Australian Dollar Canadian Dollar Dutch Guilder Danish Krone	AS CS DFL DKr	10.104xd 15.14xd 20.218xd 50.215xd 151.866xd
p and	Deutschemark	DM	40.197xd
d to 4p p from	Belgian Frances (FIN)	BFr	808_57xd
	French France	FFr	101.08xd
	Hong Kong Dollan	HKS	100.75xd
	Italian Lira	L	25,398xd
	Singapore Dollar	5\$	30.21 xd
P <b>V</b>  }	Swiss Franc	SwFr	30 0833-44

· • · · ·

Yield 8.72% 8.92% 4.51% 9.27% 9.27% 9.27% 9.27% 5.39% 5.39% 5.39% 5.39% 5.11%

Turnover of John Finlan, turned in pre-tax profits of building designer and construc-tar, more than doubled from fi.68m to f3.65m for the skx mootbs ended June 30 1984 but taxahle profits fell to f68,539, compared with a previous fi02.579. Earnings per 10p share were 1.25p (2.15p) and the interim dividend is effectively lifted to 1.8p (1.5p adjusted).  $x = 10^{-1} + 10^{-1}$ lifted to 1.8p (1.5p adjusted).

Lower pre-tax profits of f157,000 sgainst £192,000 have been shown by Holden Hydro-man for the six months to the end of September 1984, the fit results since this epecialise production engineer arrived of the USM. Turnover moved to from £1.52m to £1.97m.

than 3.25p. They express co fidence in the future, but point

including extraordinary in come of £100,200, pre-tax profit of Gihbs Mew, brewer, showe an improvement of £10,100 t £494,600 for the six months t r 30 1984. The interi dividend is the same at 1.1

Turnover totalled £8.34 (£8,66m) and after tax of £160,000 (£145,000) earnings pe 25p share amounted to 4.2 (6.1p). The shares ere trade on the USM.

C. H. Bailey, the ably repairin and dry dock company, swan round from e loss of 5538,000 t

\* \* \* A final dividend of 1.5p (1p) Osprey Communications, in raises the total from L75p to astment holding company, 2.625p net. Earnings per 10p

ahead from £839,000 to £1.08m in the half year to September 30 made a pre-tax profit of £245,000 from £1.29m to £1.58m. in the year to September 30 1984, with total income rising made a pre-tax profit of £245,000 from £1.29m to £1.58m. The dividend is restored—after a two year absence—with a 0.5p (1.5p). The company error of the total stated The company expects a further

The interim dividend has been recommended at 0.975p — the directors repeat their prospects forecast of a total of not be

out that industrial unrest in fi motor industry may affect ti year's outcome.

n pre-tax profit of £12,000 fo the year to March 30, 1984. Th surplus however, included a exceptional credit of £392,00

being a rates refund in respe of prior years.

### **UK COMPANY NEWS**

### Ferranti ahead to £18.5m and order books 25% higher

TURNOVER of electrical and electronic engineer, Ferranti, rose fram f207.2m to f252.8m in the half year to September 30 1964 and pre-tax profits were np to f128.5m, compared with f14.8m.

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TINGS

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en energi . Earnings per 10p share are stated up from an adjusted 2,62p to 3p and the interim dividend is effectively raised to 0.52p net, against 0.44p after restatement for the subdivision of shares. Last year's total was equivalent to 1.52p.

The order book stands at a record level, up by over 25 per cent on the position a year ago. Notably, the company has been selected as the prime contractor for a new sonar to equip Royal Navy frigates.

Navy frigates. Operating profits increased from f.15.3m to £20.1m. Invest-ment in improved plant and facilities was ahead 25 per cent to over f.15m in the first half. In April, TRW Controls Cor-poration in Houston — now known as Ferranti International Controls Corporation — was acquired for almost US\$10m. This company contributed 80.5m to the half-year operating \$0.5m to the balf-year operating

vestmient income, was up from result that the business was f0.5m to f1.6m. Tax took f5m more into profit, its operating (restated f3.8m) and after move into profit, its operating minority credits of f0.4m (f03m) loss, included in the group re-and preference dividends, the attributable surplus came out See Lex Net interest payable, less in-

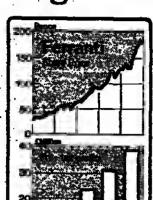
### **Process Systems of U.S.** to get London quotation BY WILLIAM DAWKINS

THE LATEST U.S. company to public service commissions. THE LATEST U.S. company to public service commissions join the London stock market is Merchant bankers J. Henry Process System, Inc, a North Carolina-based maker of micro-electronic control and recording. Schroder Wagg have, under-written an offer for sale of 16m shares-29.8 per cent of the enlarged equity-at 92p each to raise £13.94m after expenses.

Process Systems supplies the U.S. electricity supply industry with solid state recorders. These log the quantity and time of use of electricity consumption by of electricity consumption by individual customers. Data can be retrieved by telephone or hand-held microcomputers made by Process Control.

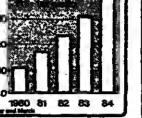
several terms of the state of the

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years has been taken.

to £556,000 (£916,000).



ahead from £11.2m to £12.3m, before extraordinary items. In September, the small Cali-fornia based business, Spectrum Ceramics, was sold. The board says the market for its specialist products was developing more slowly than anticipated, with the

### **Central & Nottingham Brick jumps** Sheerwood 70% and calls for £1.5m losses climb to £4.8m

EXCEPTIONAL losses of £4.26m EXCEPTIONAL Rises of Plant bave been reported by Central and Sheerwood resulting in a pre-tax deficit up from £415,000 to £4.79m in the first balf of

1984. However, Lord Eden, the chairman, says that be is eon-fident that most of the special action needed to deal with prob-lems inherited from provious

He reiterates the view, made at the annual meeting last July. that the group will return to profitability in 1985. Lord Eden says that the group position is likely to be "bild steady" in the second half of 1854 although it is possible that some 58.85m, against f7.2m. The first two months of the currect year have seen a continuation of recent high levela of trading. further provisions may have to be made in the period. In the last full year pre-tax losses came to £4.49m on turnover of £80.31m.

The directors state that the increased range of products from the company's three brick fac-tories has schieved an improved market share in a largely static

Results for the six months show the impact of "house clean-ing" operations initiated by the new management team formed at the beginning of the year. At the trading level, profits came to 655 con (495 con) market. After tax profits rose from \$753,000 to £1.05m giving stated earnings per share of 11p (7.5p). Adjusting for the scrip and sub-division of shares last February, the dividend total is lifted from market The substantial figure for ex-ceptional items included foreign ceptional items included foreign exchange losses largely as a re-suit of previous failure to buy dollars forward to cover pay-ments for component purchases; major adjustments to stock vakuation at Ransomes and Rapier; provisions on overseas debts end redundancy costs at White-Young; and losses on dis-continued associes at Pontonia.

AT THE same time as announc-ing a 70 per cent lift in 1983.84 3.5p. The directors intend to profits. Nottingham Brick is at least maintain the total on raising via a rights issue, f1.47m the increased share capital for net of expenses, which will largely finance expenditure at the company's Nottingham fac-tory. The rights is on the basis of one new ordinary 25p share for every 7 ordinary beld on November 28, et a price of 115p per share. The issue has been underwritten by Singer & Fried-in demand for the range of factory. The rights in the year to september 30 surged ahead from f1.05m to a record f1.76m, on f2.05m to a record f1.76m, on factory. The first two months of the current year. The directors are a continued growth factory. This will be by factory. This will be by factory. The directors believe there will be a continued growth factory. This will be by factory. This will be by factory. The first two months of the current year. The directors are setisfied that the company is currently in-must bare been running fairly high for price increases bare consistent of factory at a cost of f440,000 the factory at a cost of f440,000 in turn 15 taking 6 larger pro-portion of the total brick market. Looking to the future the chairman's statement strikes at desociated dryers, at a cost of some f1.75m. The directors market which the company are seleced to a factory. This will be by the company are seleced to a fourth klin abar factory. This will be by the company are seleced to a fourth klin and directoring to the current year. The directors are satisfied that the directors are setsified that the directors are setsified that the director are starded that the director are starded that the directors are starded that the director are starded that the building materials sector put

all the right reasons, to increase manufacturing capacity. So Not-tingham appears as a solid, if relatively small, player in the building materials sector put-ting up a commendable per-formance. But it is arguable whether that should edd up to its current premium rating—a p/e of 13.2 at 1460. Despite the speculation Nottingham is not that obvious e bld target and investors looking for the next move in the gradual con-centration of power in that sector could do better to search elsewhere. The directors are satisfied that the company owns adequate clay resources at this site. It is intended that construction should start next summer and that the increased output result-ing from this capital expenditure be sold through the existing sales structure.

### A. Beckman PLC Fabric Merchants and Converters

25

### Increased Turnover and Profits

Year ended June 30	1984 £m	1983 £m
Turnover	13.9	13.3
Profit before tax	1.32	1.21
Profit after tax	0.82	0.74
Earnings per share	8.0p	7.2p

#### Mr. S. Beckman, Chairman, reports:

- Policy of concentrating management skills in textiles while strengthening our asset base through investment in property will continue.
- Income from properties has increased beyond our original estimates.
- Dividends for the year are maintained at 5.73p per share. With tax credit total is equivalent to 8.19p.

Copies of the Annual Report are available from the Secretary, 111-113 Great Portland Street, London WIN 5FA.

### Fine Art trebles profits despite higher interest

30 1984, despite a moch bigher interest charge. Mr D. T. Barnes, the chairman, is confident of a satisfactory outcome for the year.

Fine Art Developments, Britain's • comment largest maker of greetings cards, has almost trebled taxable profits in the half-year ended September Given that Fine Given that fine Given that Fine Art is not a a final of 0.59 for 1052-53. First-half losses per share are shown as 3.049 (1.059). The disposal of Triames, Redfyrre at the end of 1983 mainly accounts for lower group turnover of 537.59m against f40.02m. With Ransomes A fabre e deduction for interest for e deduction for interest for e deduction for interest save that White Young--where save that white Young to show e c training loss be stantial increase in turnover selective Group, acquired last selective Group, acquired last selective Group, acquired last selective Group, acquired last selective acquisition at Early Learning, the selection of profits will have recovered to profits will have recovered to straining continues to be statial services included the cost straing continues to in the save stat the traing profit servit financial services included the cost of closing White Young's unpro-fiting continues to be statial secount for 513,000 (1220,000) and 52,7000 the strained services to file. fatals for the strained the corrent balf, says ind closing white services to so straines in the corrent balf, says state the services to so straines to straine the corrent balf services the so so the services to straine the corrent balf services t company that gives much sway in terms of information and that

**Progress** for Tate & Lyle in Canada

Tatae & Lyle's major Canadian subsidiery Redpath Industries, returned pre-tax profits of CS38.8m (£23.9m), compared with CS24.6m (£13.4m), in the year to September 30, 1953.

### Granville & Co. Limited Member of The National Association of Security Dealers and Investment Managers Talephone 01-621 1212 27/28 Lovat Lane London EC3R 8EB **Over-the-Counter Market** P/E

	3-B4					Yield		Fully
	Low	Company	Price	Change	div.(T	1 %	Actual	texed
142	120		137	_	6.6	4.8	7.e	e.0
158	117	Ass, Snt. Ind. CULS	147	-	10.0	6.8		
78	52	Airsprung Group	62		6.4	12,3	5.7	6.9
42	21	Armitage & Rhodes	41		2.9	7.0	5.1	8.5
132	57	Barden Hill	131xd	d 1	3.4	2.8	13.2	22.0
58	42	Bray Technologies	44		3.5	6.0	5.1	7.3
201	173	CCL Ordinary	175		12.0	6.9		
152	117	CCL 11pc Conv. Prol	178	-	15.7	13.3	_	Ξ
800	100	Carborundum Ord	800		5.7	0.7	-	_
84	84	Carberundum 7.5pc Pl.	84		10.7	12.8		-
249	92	Cindico Group		-		-	-	
73	45	Deborah Services	57		8.5	6.7	6.4	10.3
240	75	Frank Horsall	240		_		9.8	12.6
206		Frenk Horsell Pr.Ord.87	206	_	6.5	4.8		10.8
69	25	Frederick Parker	27		4.3	15.0	-	
48	32	George Blair	48				3.2	6.4
80	32	Ind. Procision Cestings	32	_	2.7	8.4	2.9	9.5
218	200	Inia Group	200	-	15.0	7.5	7.3	14.4
124	B1	Jeckann Group	108	- 1	4.9	4.5	5.0	8.7
285	213	James Gurrough	275xd	·	13.7	5.1	9.8	9.8
93	83	James Burrough Spc Pt.	83		12.9	13.9	_	
72	71	John Heward and Ce.	72	+ 1	5.0	6.9	7.3	10.3
147	100	Lingusphene Ord,	139			-	-	
100	96	Linguaphona 10.5pc Pl.	96		15.0	15.8		
548	275	Minihouse Helding NV	548	+ 4	3.8	0.7	39.4	43.1
176	31	Robert Janking	32		5.0	15.6		
74	33	Scurtions "A"	33	_	5.7	17.3	17.4	4.D
120	51	Teiday & Carlisie	87				6.3	19.6
444	370	Trevien Heldings	370	-	4.3	1.2	21.0	20.7
25	17	Unilock Holdings			1.3	5.2	12.1	17,5
92	iii iii	Walter Alexander			7.5	B.5	6.7	10.6
276	225	W. S. Yeatas			17.4	7.7	5.4	10.8
		nd details of sarvices no		itable pr				

# White-Young: and losses on dis-continued agencies at Photopia. There is again no interim dividend—the last payment was a final of 0.3p for 1982-83. First-half losses per share are shown as 3.04p (1.08p). The disposal of Trianeo-Redfyrre at the end of 1983 mainly accounts for lower group turnover of £37.55m against £40.02m. With Ransomes & Rapier virtually breaking even in the first half, Lord Eden says that White-Young—where special measures are in band— was the only other subsidiary remaining in the group to show The U.S. directors and other shareholders are celling £8.5m worth of shares, and the balance represents new money for the company. Process Systems is capitalised at £49.4m at the offer price.

be retrieved by telepoole of price. hand-held microcomputers made by Frocess Control. The recorders, which are designed to replece less efficient eleterro-magnetic devices, are to rise from \$1.5m (£1.25m) to used to measure peaks and tronghs of demand, thus belping utilities to determine rate levels, all of which have to be authorised by politically elected Met income has grown at an average annual compound rate of over 100 per cent during the past four years, and is forecast to rise from \$1.5m (£1.25m) to used to measure peaks and \$2.9m in the year to next June. tronghs of demand, thus belping De Zoete & Bevan are the com-utilities to determine rate levels, authorised by politically elected Monday. price.

### **BPCC Answers** Waddington Shareholders' Questions

### Q. Why will the Offer not be extended? Why doesn't BPCC offer more?

A. The Waddington Chairman refused to negotiate any higher price. Surely unfair to shareholders. Intransigence seems to be catching in Yorkshire!

### Q. Mr. Watson says BPCC offers no premium for control. Why?

We are obviously offering a generous premium. Our offer is worth 9.4 times our forecast of Waddington's earnings based on a tax charge of only 15%. This is 10% above the price earnings ratio on the average Packaging and Paper share, which is calculated on largely historic earnings. (\*See below).

### 9. What happens to the Waddington share price if the offer fails?

A. You don't need to be told that if our offer lapses next week - an offer which has largely fuelled the price rise the price is likely to drop. The highest price which Waddington and its advisers thought they could place our holding in October 1984 was 410p per share.

\*On 5 December 1984, the latest practicable date before the printing of this advertisement, the FT Actuaries Index for Packaging and Paper shares stood at 269.02 and had a price earnings ratio of 8.53, and the all-Share Index stood at 568.82.

### Q. Mr. Watson seems worried that if the offer succeeds. Waddington would be controlled by the Pergamon Holding Foundation of Liechtenstein. Need we worry?

- **A.** Certainly not. There is nothing wrong in this. P.H.F. controls Pergamon Press and through Pergamon Press. BPCC and Hollis Bros. and E.S.A. These companies and thousands of their shareholders have all done very nicely. thank you.
- 9. Can you explain the 14 September, 1984 revision of the Waddington Executive Directors' employment terms? They have awarded themselves an average fixed remuneration of about £200 extra a week each.
- A. You should ask them.
- **Q.** What shall we do?
- A. Accept the offer, and nail down your profit a near fivefold profit if you owned Waddington shares before any bid was made in 1983. Not a bad profit by any standards.

### **500P PER SHARE CASH IS VERY GENEROUS** THIS OFFER WILL NOT BE EXTENDED AFTER 3.00 PM **ON THURSDAY 13 DECEMBER\*\*** ACCEPT IT NOW.

If you require a form of acceptance and transfer, telephone Henry Ansbacher at 01-283 2500.

\*\*Unless the Ordinary Offer has become or been declared unconditional as to acceptances by then.

ctors of BPCC pic (including these who have delegated detailed supervision of this advertisement) have taken all reasonable care to optimize expressed herein are fair and accumite and tach of the directors accepts responsibility according able care to ensure that the facts stated an

### **BIDS AND DEALS**

### Green light for Johnson Matthey deal

#### BY RAY MAUGHAN

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SHAREHOLDERS in Johnson should subscribe to the issue, limit of its shareholding range. seeking detailed information be-ledge." Matthey voted overwhelmingly and the results of the subscription by the vital capital in two will probably not be re-jection proposal at the metal vealed until early next week. Individual ehare-refining and speciality group's At the minimum, the holding of largest individual ehare-straordinary meeting. jection proposal at the metal refining and speciality group's extraordinary meeting. Shareholders bad been warned refining and speciality group's extraordinary meeting. At the minimum, the holding of lergest individual ehare-balder, Chartered Consolidated, will be raised from 27.9 per

down the proposed £25m con-vertible preference share issue, particularly in the light of the continuance of the £250m standby loan facility, and accordingly the resolutions met no resistance on a show of bands and no objection worth name when the required poli was

taken. The Johnson Matthey board was able to give shareholders pected that Charter will come guidance as to whether they out at anything like the top

THE U.S.-based Providence Capl- rapidiy, tol is putting its UK life company Warh

subsidiary Providence Capitol

The company, in announcing its decision yesterday, revealed that is has received a number of epproaches in recent months for calling its IIE subsidient.

selling its UK subsidiary. The final decision was taken in regard

to the wide-ranging changes cur-rently taking place in the UK financial services market.

S. G. Warburg & Co is being retained to advise on the sale and it revealed that the inquirers have included both UK as well

AY ERIC SHORT

Group, up for sale.

**Providence** Capitol to

sell its UK life offshoot

dated, was unable to give anxious privete shareholders will be raised from 27.9 per cent to 33<sup>‡</sup> per cent and, at most, to 46. 12 per cent if all other shareholders turo the issue down. Given the insistence of the institutional group, holding 28 per cent of the Johnson Matthey equity, that it should also have the right to subscribe at the couvalent ordinary share price many detailed assurances over Johnson Matthey's future.

He said that "Johnson Matthey is profitable and has the base is promable and has the base from which it can continue to be profitable. But it is dangerous to be confident." He felt that the group's revival will be accomplished, but warned that "it won't be a short or an easy task" task

As to the negotiations with British Petroleum, which is

Maxwell

steps up

While Coopers and Lybrand prepares a "fuodamental re-view of Jobnson Matthey's strengths and weaknesses" end apother firm of accountants, Thomson McLintock carries out Clarke said that takes have been continuing but the details re-quired by BP from outside trad-ing partners such as Rustenberg the platinum group linked very loosely with Charter through the Constitution of form a full enquiry into the events leading up to the sale of John-son Matthey's failed banking subsidiary, the share price was exposed to further weakness yes-Oppenheimer group of com-panies, bas not yet been obtained. It was not true, Mr Clarke maintained, that Charter bad sold a single share in Johnson Matthey and be was fairly cer-tain that none of the other South African companies connected with Oppenheimer had sold either, although be admitted that he had "oo direct knowterday and came back by 4p to 63p. Similarly the Charter shares price gave up 13p to 187p and Charter's 67 per cent owned subsidiary Cape reacted further to the sale of its insulation

ousinesses with a 10p drop to

### Exco enters real estate financing via £8m deal

#### BY JOHN MOORE

obtained.

pressure MR ROBERT MAXWELL'S British Printing and Communication Corporation today stepped up the pressure in tts £44.2m takeover bld for the games and packaging group Jehn Wadding-

ton. In newspaper edvertisements It says that its cash offer Is 9.4 times its own forecast of Wad-dington's earnings, based on "a tax charge of only 15 per cent." This is 10 per cent ebove the price earnings ratio on the average 'ackaging and paper share, says BPCC. On Wednesday Waddington forecast that pre-tax profits for

Erco International, the money Californian company. The con-broking and financial servires sideration will consist of S4m in group, is huying a 40 par cent equity capital with the balance stake in Blackman Garlock Flyan in 12 per cent subordinated loan and Co., a Californian real capital notes repayable in estate merchant banking firm, 1990/82. For \$100 (58.28m).

and Co., a Californian real capital notes repayable in estate merchant banking firm, 1990/92. The U.S. company acts as an which is expected to be com-intermediary in arranging funds pleted next month. Exco will own for property developments. It brings together large out-enlarged share capital; the slde investors, such as pension remainder will continue to be funds, with developers who are held by the existing owners. looking for finance. Since its formatioo in 1981 it bas acted in exter financing " is one element over \$2hn worth of deals. Its ser-vices include the underwriting have not been involved. We are and distribution of real estate increasingly interested in estab-debt and equity financing, real is syndication and secondary mar-keting of mortgage finance. Under the terms of the deal Exco is subscribing \$10m in new equity and loan capital to the York and Tokyo."

### Glynwed sells stake in South African loss-maker BY CHARLES BATCHELOR

Glynwed International, the the same time the remaining engineering and building pro-25.8 per cent stake of Defy ducts group, is selling Dufy Cor-which is owned by South African poration (Pty), its loss-makiog General Electric Company, will South African consumer durables also be sold to Tek. Subsidiary, in a deal which will raise f8m net.

also be sold to Tek. Glynwed will retain its stake in the foundry and pressings division and also huy GEC South Africa's bolding for f1.2m to obtain 100 per cent control. This division will in future be

Sir Hugh Fraser sells 1.6m share block By John Moore

SIR HUGH FRASER, the de-posed chairman of the House of Fraser stores group, has sold a remaining block of 1.6m sbares owned by the Fraser Foundation in the Fraser group.

The block of sbares was sold earlier this week at a price of 300p per share in a deal worth 54.8m. The stake represents around 1 per cent of the share capital of the Fraser group.

Sir Hugh Fraser said yester-day that the shares had been sold through Carswell and Com-

MINING NEWS

### **Recovery at Wankie** paves the way for dividend resumption

Financial Times Friday December 7 1984

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A RECOVERY in fortunes is paying the way for Wankle Callery to return to the divi-dend list. But because of the need to retain profits to meet loan repayments of Z\$11.3m (£6.5m) the Anglo American group's Zimbabwe coal producer is to defar consideration of a payment until results for the full sele. Profits for the first six mooths expanded to Z\$2.11m, equal to 5 cents per share, from Z\$664,000 in the poor first half of 1983-84. Furthermore, the latest profit was struck after a sharply higher depreciation charge of Z\$0.66m against Z\$1.75m a year ago and interest payable of Z\$5.21m could be a selection of a station. Wankle passed its dividend in the need to meet loan repay-ments and partly because of the explosion at the new Hwange Power Station: Wankle's open-cast expension was designed to meet coal demand by the power station. able. Profits for the first six mooths expanded to Z\$2.11m, equal to 5 cents per share, from Z\$664,000 in the poor first half of 1983-84. Furthermore, the latest profit was struck after a sharply higher depreciation charge of Z\$6.06m against Z\$1.75m a year ago and interest payable of Z\$5.21m com-pared with an interest credit last time of Z\$93,000. It is pointed out that as from

against 251.75m a year ago and interest payable of Z\$5.21m com-pared with an interest credit last time of Z\$33,000. It is pointed out that as from March 1 th'\_ year the interest payable on money borrowed to finance the now completed open-cast expansion together with de-preciation of the new assets acquired are chargeable against profits. Coal salas in the latest half-

**Black miners go back** to work at Rietspruit

### **Potash venture aborted** THE AGREEMENT for the U.S. However, the Thai Ministry and

THE AGREEMENT for the U.S. However, the Thei Ministry and Amax diversified natural re-sources group to lead a \$350m the signing of the agreement (£289m) potash venture in which was scheduled for today. Thailand appears to have been aborted at the last minute, for the "indefinite" postpone-reports Boonsong KThana from ment of the signing, but it is Bangkok. It was to have given a 25-year ment between the partles over concession to a consortium of cortain benefits to b extended Amax (50 per cent), Siam to the Government in addition Cement (40 per cent) and the to the letter's 10 per cent share Thai Government (10 per cent), in the venture.

# Charcol deal to expand

Strong & Fisher NZ buy

as U.S. institutions. U.S. com-broke up, the company has had posite and life companies are a succession of owners — the sbowing a growing interest In latest, Providence Capitol, being the UK life market, which has formed by a management buy-out been extremely profitable in of the insurance Interests of the recent years and bas expanded Gulf + Western group.

a wholly-owned subsidiary of Fisher

Strong and Fisher (Heldings) Southland Frozen Meat Co. have acquired for NZS490,000 BTH specialises in the manu-(£200,000) 49 per cent of the facture of chamois leather from issued share capital of Cintha prime New Zealand sheep and is Leathers which was recently the only tanner of this product formed to acquire the assets and in the Pacific Basin. It is pro-goodwill of Bayley Tompkins and posed to expand production with Hedges of Dunedin, New Zealand, the assistance of Strong and a wholly source in the strong and the stron

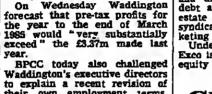
Warburg is having an ectuarial waluation of Providence Capitol Group undertaken by the consult-ing actuarial firm of Tillingbast Nelson and Warren and its report will be available to prospective purchasers in due course.

The company is roughly equiva-

lent in size to Cannon Assurance which was sold earlier this year for just over £40m.

Providence Capitol Group was established 1968 as the life company arm of the old Slater Walker conglomerate. Since that

BPCC today also challenged Waddington's executive directors to explain a recent revision of their own employment terms. BPCC denied an earlier claim from Waddington that it debt/ equity ratio would jump to 115 per cent after the acquisi-tion. The figure will be below 50 per cent at the end of 50 per cent at the end of December, says BPCC,



The 500p a share offer closes on December 13.

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Placing by



Sir Hngh Fraser . . . "I don't know who the shares went to"

pany, the Glasgow-based stock-brokere. "But I don't know who they went to."

In the London stock market yesterday thece was speculation that the sbares bad gone to Lonrbo, which would take their bolding in Fraser to 7.85m shares and a stake of 5.1 per cent

Loarho director, Mr Paul Spicer, said yesterday "I have nothing to say."

Sir Hugh, who had been ousted from the position of chairman of Fraser at the beginning of 1981, said that the Fraser foundation's stake stood et 2.84m shares six months ago.

"I have reinvested the money "I have reinvested the money in Government sotcks, and shares such as BICC, Prudential, Dalgety, and other stocks. If I bad been shrewder I would have sold the rest of the shares when Lonrho sold a block of 750,000 shares for over 300p last month,"

**Riley to close** 

THE strike that began on Tuesday has ended at the South African Rietspruit open-cast colliery in the Transvaal, jointly owned by Transvaal Consolidated Land and Exploration, part of the Barlew Rand group, and Shell Senth Africa. About a quarter of the 1,000-strong black workforce had of a wage claim that dates back



home and overseas is satis-factory end the indications are that our steady upward progress will be maintained.

the company to undertake larger contracts and several ace cur-rectly under negotiation in the range of £100,000 to £500,000.

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### **SECTION IV** FINANCIAL TIMES SURVEY

# Bulgaria TRADE AND INDUSTRY

Moscow's closest ally benefits from political stability and strong economic progress which are enabling it to withstand the cold winds of world recession without a fall in its living standards

ledgement of the very con-siderable material benefits

derived from the Soviet Union.

come to share with the Soviet a perception of being treated as a pariah by many in the West.

consolidated through

Stability

### Solid record of economic progress

### By David Buchan

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East Europe Correspondent

That Bulgaria should be Moscow's closest ally seems natural to most Bulgarians. Recent events have reinforced THE LOT of Bulgarians today this identification: Bulgaria was the first to join Moscow's boy-cott of the Olympic Games in the U.S. That decision was seems generally a contented one. It is not just that they have a beneficent climate and country side to compensate for relative made all the easier by the fact lack of raw material endowthat, to its citizens chagrin, Bulment. It is rather that they combine a sense of secure garia has recently become better known in the West through allegations about inidentity, political stability, and economic progress in a way that volvement in plots against the Pope than through Black Sea no other East European country holidays, wine and fork lift truck exports. So Bulgaria has

Unlike other East Europeans, Bulgarians generally have no hang-ups about their alliance with the Soviet Union. Well before Lenin's revolution, they looked to Mother Russia for liberation from the Turk. They won it in the 1870s, and there still stands in Sofia a statute of thanks to the "Tsarthanks to the "Tsar-berator" (Alexander II), Liberator \* perhaps the last remaining

The sense of political stability stems simply from the fact that Bulgaria has been led by one man, President Todor Zhivkov, monument to a Romanov. for the past 30 years-the longest rule in Europe, except-Bolgarians share coltoral ing that of Enver Hoxha in Albania, Mr Zhivkov's hold on roots with Russians, Indeed, they are the Russian cultural. root, in the sense that St Cyril was a Bulgarian and bequeathed power, to the Russians his alphabet. But this engenders no real sentiment of superlocity—only the occasional "oneupmanship" that Bulgaria is Athens to the

NATIONAL INCOME SUCARIAN STATISTICS and 1983 INDUSTRY Leva 11-4 bn 1062-483) 44953 FRADE -GRICULTURE eva 4-37 bn OTHERS Leve 0-63bn (\* 3%) (-3%) TRANSPORT and COMMUNICATIONS Level 197 bn CONSTRUCTION Lova 2-28bn (+3-5%) (+4%)

Lilov, who had been the polit-buro's chief ideologne. At the same, ossification has the same os

not been allowed to set in in the hierarchy below the 73-year-old Mr Zhivkov. Perhaps partly because he wants no rivals, the President has regugarians may produce fewer in-dustrial goods per bead than East Germans and Czechs, and have less consumer choice than Hungarians, but they have a solid record of progress. Mr Lukanov can rightly claim that larly infused party and govern-ment with new blood. The average age of the politburo is below 60. A new member this of all Comecon countries. But garia has made the greatest strides "given its point of departure." In 1944 a News-week correspondent noted on a visit that the country had only

year is Mr Chudomir Alexan-drov, who doubles up in the government as first deputy to Prime Minister Grisha Filipov. Only in his late 40s, Mr Alexandrov is typical of the younger breed of party techno-trate-other examples are Wr 10 miles of paved road and barely enough electricity to light Times Square, crats-other examples are Mr Andrei Lukanov, the Moscow-born deputy premier and Mr Georgi Pirinski, the Brooklyn-horn deputy reader in the Brooklyn--it has multiplied its gross born deputy trade minister-who seem intent on pursuing greater efficiency at home and opening the economy up to national product by a factor of 14, industrial production by 84 and agricultural ontput by 3. Farming is still the economy's.



President Todor Zhivkov has been ruler of Bulgaria for 30 years and his hold on power is unquestioned

capital - intensive " agro - industrial complexes," of which there are some 300 each cultivating an average 1,300 hectares, mesh in with the labour-intensive housebold plots, of half a hectare per family, to make Bulgarians well fed at bome and the biggest food exporters inside Comecon.

New jobs

Yet, large numbers of people have left the land, which as recently as 1970 represented the livelihood of more than a third of the population. Most of their new jobs have come in industry, now employing 36 per cent of the workforce, with particular expansion in machine building, petrochemicals and—e far cry from foreign images of Balkan hewers of wood and drawers of electronics and robotics. water A further shift - into the

service sector - is beginning to accelerate, as the retail net-work empands and tourism grows. Bulgaria is hoping to

offset the recent decline in Western custom for its Black Sea summer resorts, calering for the recession-bit lower end of the boliday market, by developing Winter sports facilities. It has bid to host the 1992 Winter Olympics.

Unlike the rest of Eastern Europe, Bulgaria has been able, too, to weather the early 1980s without a drop in its standard of living. Indeed, for the first three years of this decade it recorded an average annual rise of 4.6 per cent in national income, 5 per cent in industrial output and 3.5 per cent in farm production. Last year, drought cut agricultural output and depressed overall growth figures, but trade and industrial output have been buoyant in the first six months of this year, showing increases respectively of 8.4 per cent and 3.7 per cent over the first half of 1983.

Equally, Bulgaria has no debt crisis because it has so

### Economy: slight shift from the centre of power Profiles: Andrei Lukanov and Chudomir Alexandrov

IN THIS SURVEY

Agriculture: basis of the economy Joint ventures: slow take-up by the West Machinery/Electronics: investment on target Robots: Western embargo shrugged off Energy: benefits of low-cost Soviet off Profiles: Chimimport and Balkancar Podem Road haniage: Somat's international route Tourism: ski slopes and sunny beaches

little debt. According to Wharton Econometrics, the country's net hard currency debt stood at \$1.2.\$1.3bn by the end 1983, by far the lowest in the Soviet bloc. (Bulgarian officials give no hard currency reserve, debt or trade figures, declaring them "State secrets"; but they indicate these Western estimates are not far wrong).

In fact, Bulgaria has been steadily paying off its Western debt, which peaked at nearly \$4bn in 1979, with the proston in 1975, with the pro-ceeds of its hard currency trade surplus. This surplus ran at around \$600m a year in 1981-1982, but dipped last year to \$460m, according to Wharton, chiefly because of payment problems in Iran, Iraq and Libya, caused by war and oil slump. These three Middle East

countries account for over 60 per cent of Bulgaria's total exports to the Third World. Bulgaria's finances are still comfortably padded and it has not bad to borrow on the Euro-markets since December 1979.

But it could resume borrowing in the next few years, if its hitherto strong trade surplus with the Middle East were to shrink and if Soviet oil shipments were to be cut further. The Soviet Union is the natural energy supplier of Bulgaria, which has smaller fossil fuel resources than any of Moscow's other allies. In recent years the Soviet Union has

favoured Bulgaria with more relatively cheap crude than it has needed domestically. The crude has thereafter been refined or processed petrochemically, netting Bulgaria a windfall gain of \$2.2bn over the past three years, according to Wharton.

This era of Soviet energy munificence is coming to an end, even for ultra-loyal Bulgaria, as Soviet leaders made clear at the recent Comecon summit in Moscow, But officials in Soft

### BASIC STATISTICS 9.1m (mid-1982) Population 110.913 sq km Area Net Material Product 23.5hn Leva in 1963 NMP growth +4.2 per cent in 1982 +2.9 per cent in 1983

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Estimated Gress National Product (including services)

\$26-35b Exchange rate (August 1983) £1=Leva 1.35

confident that their developing nuclear seem. rapidly power programme, which already generates a quarter of Bulgarian electricity, will soften the impact of change.

Yet, if there is a hint of acknowledgement of Soviet Soviet favouritism over oil, Bulgarian officials put their country's undoubted success in intra-Come-con industrial specialisation down to their own foresight, and to hard work,

By luck or design, Bulgaria has carved out for itself sizeable niches in the Comecon market nicbes in the Comecon market in such growth sectors as elec-tronics, robotics, and electrical machinery. The way in which this specialisation can be used as a springboard on to the world market is impressively illus-trated by Balkancar, the Bul-garian maker of fork-jeft trucks and the world's largest. and the world's largest.

Balkancar has consolidated its virtual monopoly hold on Come-con. It has persuaded the Soviets to forgo lift truck pro-duction of their own. On top of the 50,000 Bulgarian trucks they already buy each year the Soviets have agreed to a steady increase in purchases until the

end of the decade. CONTINUED ON

NEXT PAGE





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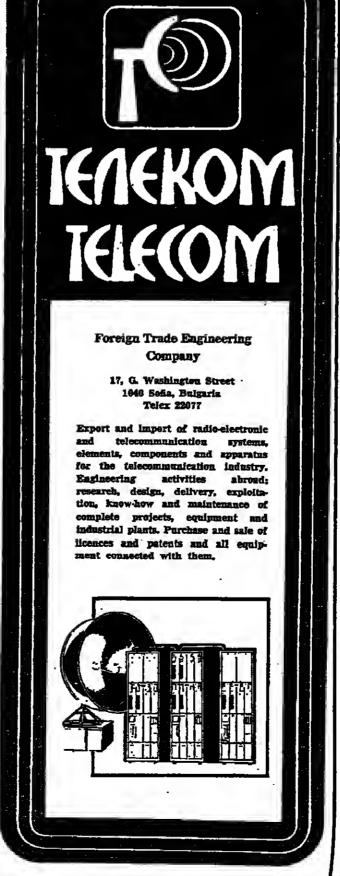
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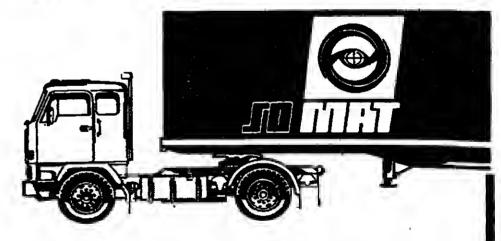
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### A shift from the centre

Economy DAVID BUCHAN

SPEAKING, GENERALLY Soviet bloc countries dislike having their economic management changes described as re-forms—because this might imply error in the past or-compared to one another— because this may show they are work "brigade" of which there are about 16 in the average Bulgarian industrial enterprise. politically out of step with each other.

Bulgarian officials often exhibit these anxieties. They exhibit these anxiences. They still formally call their reforms, with devasting hlandness "the" economic approach and its mechanisms," and are usually unhappy when outside observers try to situate their reforms in the spectrum between market-orientated Hun-gary and the still-orthodox soviet Union. But perhaps they ought to relax more, because, as they explain fit, there is a natural and national evolution to the reforms, which started in the 1960s but have only been in full effect since 1982. The reforms reflect the fact that Bulgaria has reached what "mature socialism." Or, as one of his deputy premiers, Mr Andrei Lukanov, explains, that while a high degree of cen-tralism may be good in the start mature for it to start making profits is that still formally call their reforms,

mature socialism." Or, as one measures to make enterprises of his deputy premiers, Mr Andrei Lukanov, explains, that while a high degree of cen-tralism may be good in the early stages of industrial de-velopment, it can be downright bad in fater stages. Bulgaria is becoming a more Bulgaria is becoming a more complex economy and therefore

### New system

1980s. In edition, despite all the talk of financial self-sufficiency,

enterprises making goods for ex-

complex economy and therefore intrinsically harder to plan from the centre, with a shift of the workforce from agricul-ture to industry and services. However, Bulgarian leaders have no intention of abandon-ing central planning. President Thinker setd in 1991 that the As a result, there is no longer a solid floor underpinning workers' wages, while there are some new ceilings on the rate of growth in wages. In 1982 for instance, the wage fund could not be increased by more than 0.5 per cent for each percentage point growth in an enterprise's intal income though there are

Zhivkov said in 1981 that the new economic reforms were "to have nothing in common with the conceptions for the spontotal income, though there are extra bonuses rewarding taneously functioning market mechanism." productivity increases.

mechanism." This has proved an overstate-ment, made to some extent to ease the minds of conservatives inside and outside Bulgaria, and has since been somewhat over-taken by events. But there is also no compelling logic for Bulgaria to move as far as Hungary. Far more (78 per Hungary. Far more (78 per cent) of its trade is conducted inside Comecon than any other Comecon country.

### Flexibility

### innovation, material input and mains complex, with seven cate-profit. If this still seems con-straining, it is at least less so than in the past. Enterprises drov, the first deputy prime also have more say in setting minister, says no "free play of targets through the "counter-prices" will be allowed, partly plans" they send back to for fear of political and social repercussions. Thus so far price ministries. A further decentralising move has been increased emphasis on the old Communist unit of the Manual Manu

are about 16 in the average oer the reforms, are now freer Bulgarian industrial enterprise. into which to sink their own The brigades, like the enter-prise, also prepare their own counter-plans." are now freer to choose their own intestments into which to sink their own all investments, 50-60 per cent, is still financed eithen direct der the reforms, are now freer "counter-plans." in investments, 50-60 per cent, is still financed either direct But, at the same time, the central ministries still keep e monthly check of enterprise's Bank and Foreign Trade Bank.

monthly check of enterprise's plan fulfilment and reserve the right to take away resources or switch them to another foctory, if an enterprise's expenditure appears to the Sofia bureaucrats to be ill-advised. This prompts the comment from one Western expert on the Bulgarian ecooodmy, Dr Marvin Jacksoo, Dratt increast in the central authorities still "seem to tolerate initiative at lower levels only if it results in what they would have told the lower levels to do anyway."
Wages. Rules on pay are intimately bound up with masserues to make enterprises there are subtracted and the lower levels on pay are intimately bound up with masserues to make enterprises as a subtract of the subtract in the contract in the subtract is to do anyway." Interest rates, currently ranging from 2 to 15 per cent, are play-ing a somewhat higger role in allocation of credit. But they Where there used to be a uniform interest rate for Bul-

garian enterprises, now the more successful companies pay less interest and the weaker enterprises more. Thus to some extent, the bankers are taking over from the planners the job of supervising Bulgarian industry and setting rewards and penalties.

• Competition. This is not a dirty word in Bulgaria. Minis-ters see the advantage of some Minited competition, both to increase the variety and quality of consumer goods, particularly and, more generally, to prevent some enterprises earning the monopoly profits about which Mr Grisha Filipov, the prime minister, has complained.

.The old barrier between the producer and the market is In practice, workers have had guaranteed an average 70 per cent of their total take-home pay, which has increased by 3-Thus, the new system of semi-flexible wages has not yet been flexible wages has not yet been neat estimates that one third tested by bad economic times, because the Bulgarian economy has stayed fairly buoyant throughout the first half of the 1980s. In addition, descrite all the stayed to

Under pressure

Financial Times Friday September 7 1984

### **BULGARIA 2**



Mr Andrei Lukanov, a deputy prime Minister since 1976. Above (right) Mr Chudomir Alexandrov, promoted in the Jamary 1984 reshuffle to be first deputy to Prime Minister Grisha Filipov

#### PROFILE: CHUDOMIR ALEXANDROV

### **Managerially-minded** politician

WHEN Mr Chudomir Alexan-drov was promoted, in the January 1984 reshuffle, to be first deputy to Prime Minister Grisha Flipov, there was an accompanying development, less noticed at the time, but a signi-ficant indication of the changing role of centual government in the Bulgarian economy. Several ministries were merged into two new ones with

Several ministries were nerged into two new ones with Inerged into two new ones with broader responsibilities; the ministries of energy and natural resources, and of production and trade of consumer goods. The move reflects the fact, Mr Alexandrov says, that mini-stnies are now giving enter-prises more freedom in day-to-day planning and management; retaining only an overall

day planning and management; retaining only an overall strategy function. Less detailed supervision requires fewer bureaucrats and fewer mini-sters. The first deputy prime minister admits that the logic of this change will bring Bulgania nearer to Hungary (which has only one industrial ministry) than to the Soviet Union (which still has dozens). This reduced rule for control This reduced role for central

be sold through these producer. sowned retail shops next year. Some wholesale trading organi-sations are being allowed to in St. a mining engineer but has by starting np production built his career as a communist plants. capital investments.

PROFILE: ANDREL LUKANOV

Equally, he injects a note of caution about pricing policy. Bulgarian prices need to take international price trends into account, since so much of national income (80 per cent, he says) derives from trade. But most of this trade is done with Comecon where prices are nego-tiated government - to - government.

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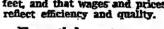
"Free play of prices should not be permitted, because it can lead to political and social pres-sures," says Mr Alexandrov, evidently mindful of his broader responsibility in his new job. He notes that in 1979 prices were raised considerably, but so were wages.

**Essential** part

Indeed some of the ambiguity in Bulgaria's economic reforms is clear from Mr Alexandrov's Mr Alexandrov, who is per-haps the most prominent member of Bulgaria's young managerially-minded politicians because he is also a full member of the politburo, stresses the need for greater competition in the economy "within certain limits." Com-petition is useful, he believes, in light industry and consumer goods production to achieve larger variety and better guality, but less so in heavy industry where a country like Bulgaria does not bava the Bulgaria does not bava the gapital investments. Mr Alexandrov, who is peris clear from Mr Alexandrow's remarks on income policy. On the one hand, he says, "we suffer et present from a certain equalisation in wages, and we welcome larger differentials where fustified. If skilled wor-kers get nivre there managers, good luck to them." On the other hand, "we are trying to increase the pay of the lower paid." Mr Alexandrov says, with for instance, increases in pay for teachers and in allowances

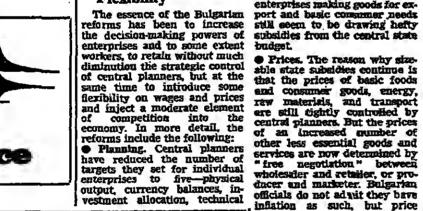
### **David Buchan**

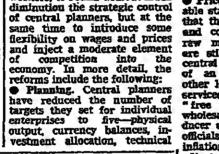
tives do the managing, while the state's role as owner is to set certain conditions." Chief among these conditions is to ensure that enterprises stand more on their own financial feet, and that wages and prices





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• Prices. The reason why size-able state subsidies continue is that the prices of basic foods and consumer goods, energy, raw materials, and transport ere still eightly controlled by central planners. But the prices of an increased number of other less essential goods and services are now determined by services are now determined by "free negotiation" between wholessiler and retailer, or pro-ducer and marketer. Bulgarian officials do not ad wit they bave inflation as such, but price adjustments are now part of the

national market.

Trade balance .....

Current account balance ......

the creation of joint ventures. (with possible majority foreign ownership, but under a Bul-garian-controlled board). Most of the arrivals have been from

In the international arena, the old-established foreign trading organisations (FTOs) have come under some competitive pressure. More manufacturing enterprises are being allowed to start up their own trading organisations, joining the few really big manufacturers such as Balkancar which have long had this right. Another trend is group owner-ship by producing companies of

FTOs. Limited though the Bulgarian inflation as such, but price reforms may be, they have adjustments are now part of the naturally provoked some resist-regular annual planning cycle, ance. Ministers have com-with planners keeping an eye plained about some hureancrats also on international trends. If domestic prices of internation-ally tradeable items diverge by the new "economic" one, and more than 5 per cent from world prices, then adjustment is and riding rough-shod over the new rights of emergrises and workers. Nor are the reforms probably responsible for any measurable macroecomomic inprices, then adjustment is sup-posed to take place. This is one of the ways in which Bulgarian producers are to be brought into closer touch with the intercrease in output or exports. But original reforms can only However, pricing policy re- produce gradual results.

1981 1982 1983

+988 +651 +645 +595

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should make it easier for Western companies to do busi-ness wit it. The main alm of these changes (see separate article) is to devolve more devolve more

TRADE AND CURRENT ACCOUNT BALANCES (Şm)

Solid progress

CONTINUED FROM PREVIOUS PAGE

people. Another undouhted and even hope, of encouraging factor is the political climate, some decentralisation of politi-The first significant impact of cal power.

1980

RELATIVELY young men find it easier to rise to the top in Bulgaria than in any other Soviet bloc country, and one of the clearest illustrations of this is the career of Mr Andrei Lukanov, still only 46 but a deputy prime minister since 1976, and a candidate polit-buro member with special responsibilities for foreign economic relations.

Perhaps youthfulness, too, plays a part in the buoyant outlook that Hr Lukanov takes towards trade inside and out-side the Soviet hloc. Born in Moscow (where his father was ambasedor) and methods of Moscow (where his father was ambassador) and partiy edu-cated there, he has been Bulgaria's permanent repre-sentative to Comecon, and is in no doubt about the benefits from Comecon. "Bulgaria is or was the least developed Comecon member--a classic developing country--and its progress has been the most striking, given its point of departure," he says. He is bullish thirt the meent

He is bullish that the recent Comecon summit will help Bulgaria further, not only by prester general co-operation on energy (nuclear reactor construction, uranium explo-ration, oil and gas exploitation and transportation), but also by allowing Buigaria to specialise further in telecosummi-cations, electronics and some areas of machine building. At the same time, however,

Mr Lukanov who gained wider in ration who games where trading experience during his mid-1970s stint as deputy foreign trade minister and speaks excellent English, says he would like to raise the share (currently 22 per cent of trade) that Bulgaria does outside Comecon. He points out that some smaller EEC members do even more intra-EEC trade than Bulgaria does with Comeson.

#### **Buying companies**

Buigaria is also seeking article) is to devolve more inward investment to expand decision-making responsibility trade with the West. But so on 'enterprise managers and far only a handful of foreign their workforces (with central companies have taken advan- planners still ytaining overall tage of its 1980 law allowing control), and to link the planners still staining overall control), and to link the Bulgarian prodocer more directly with his home and foreign markets. Bulgaria is flexible on inbulgaria is bernhe on in-ward and oniward investment in order to enhance trade. Alone among Comecon coun-tries, it has shown an active interest in huying Western manufacturing commanies: two garian-controlled board). Most of the arrivals have been from This will not turn Bulgaria Japan, which happens to have into another Hungary, for the closer trade ties with Bulgaria than with any other country in the region. Generally, Western com-panies do not see Bulgaria's the price mechanism as an Comecon penetration as signi-ficantly helping to expand the small Bulgaria market of 9m some ministers in Sofia believe, people. Another undouhted years ago it bought a West German engineering form, while last year it tried but failed to get control of a French forklift truck busi-

"We will still examine other cases on their merits," Mr Lukanov says. Like some other Comecon countries, Bul-garia permits joint ventures, though relatively few Western

### Youthful zest for trade

firms have yet made any direct investments. Mr Lukanov does not in fact see these sort of direct investments, in either direction, as the main means by which Bulgaria can increase trade with the West.

The prospect of increased Balgarian-Western trade will be influenced by broader con-siderations. But new and succeasions. But new and stricter technology export controls by the West "reduce significantly the possibility of. economic co-operation and poisons the political atmo-sphere," Mr Lakanov says. "But the Western policy will not succeed heraws econtific not succed, because scientific achievement causet be locked away in a cell," he adds. " It is also short-sighted because this sort of policy accelerates development inside Comecon." The deputy prime minister

is also enflusiastic about Bul-garia's economic management reforms because " they create more democracy in the nore democracy in the conomy, and through that, more democracy in political affairs." When smaller enter-prises or workers brigades get more decision-making autonomy, "they not only take more interest in the fruits of their labour but are also expressing their basic civil and human rights in the most important sphere."

The party and central government are, Nr Lukanov says, trying to "promote more political democracy by using Partiament more and trans-forring more decisions to local government and to officials elected rather than appointed."

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following branches of economics: metallurgy, chemistry, light and food industry, machine-building, medicine, etc.



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At the same time, Balkancar the West's new tighter strategic wants to buy into eristing West trade controls bas been to quash European manufacturers to Bulgaria's attempt to buy a new expand its market there. Its bid Western-made telecommunica-to buy control of a leading tions system. French firm was rebuffed last Yet, ironically, Bulgaria's reasons, Balkancar believes; but should make it easier for winced that it is now too power-winced that it is now too power-ful a force to be long ignored, Bulgaria is also seeking article) is the devolve more

### **BULGARIA 3**

### Technology and rockets boost the harvest

### Agriculture LESLE COUTT

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"THERE IS no poorer country than one which does not have a developed agriculture," accord-ing to Mr Javcho Rusev, deputy president of the National Agro-Industrial Union. In Bulgaria, industrial origin. In Bulgaria, with its strong farming tradi-tions, agriculture remains the basis of the economy and this lesson has been firmly observed. Though in the post-war period the country went through forced industrialisation it did not not industrialisation it did not neglect agriculture. As a result, Mr Rusev argues,

Bulgarian farming is "rela-tively advanced," compared with its neighbours-Romanda, Yugoslavia, Greece, and Tur-key, and even the Soviet Union which lies just across the Black See. In 1960 wheat yields in most Balkan countries were similar, but now, Bulgaria claims to be able to produce 100 kilogrammes, more wheat from 10 hectares of land than the others. The same is true of

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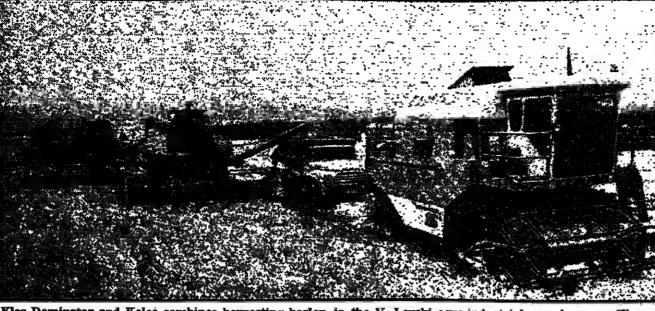
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tomatoes and grapes. The Georgi Dimitrov farm ontside Plovdiv is so big that it needs a computing centre to keep track of crops on its 31,000 hectares, as well as of the earnings of its 12,000 farmers. It launches rockets to break up clouds which threaten to unleash hailstorms that used to cause millions of dollars in damage to crops.

#### **Computer centres**

The farm is actually an agro-industrial complex (AIC) formed in 1978 by amalgamating several co-operative farms and vertically merging them with food processing plants and farm machinery stations. AICs, which were begun in the early 1970s, now account for well over 75 per cent of Bulgarian farmland. Even the Ministry of Agriculture has been renamed the National Agro-Industrial

Union\_ The Georgi Dimitrov AIC, named after the idolised late Bulgarian Communist leader, is one of the largest in the 500,000 tonnes of wheat country, while the average AIC, abroad to international grain has decreased in size from 21,000 to 13,000 hectares.



Klas Dominator and Kolos combines harvesting harley in the V. Levski agro-industrial complex near Hissar

In addition to farmers, it employs 8,000 canning workers and 6,000 people in equipment maintenance, transport and construction

Fruits and vegetables are mainly grown. Rainfall this summer has been adequate and a good crop of golden and red apples is expected. The farm is 85 per cent irrigated, com-Union. with a much smaller pared percentage on other Bulgarian

farms.

agricultural areas.

Last year, Bulgarian agricul-ture was badly hit by the drought in the Balkans, which led to an undisclosed drop in Agreement in principle with the other Comecon countries was reached at the June Comecon summit conference in farm output below the 1982 level. An official report said Moscow, according to Mr Rusev, on future joint investless wheat, sunflower seeds, sugarbeets, tomatoes and grapes were produced than in 1982, while there was an increase in fruit, early vegetables, and some fodder crops. Meat pro-duction was 3 per cent higher tion in 1982 ments in agriculture. These could take the form of investments in modern irrigation systems for Bulgaria, which

than in 1982. Because of the drought, Bulgaria was able to export only 100,000 tonnes of wheat last year, whereas normally it sells between 400,000 tonnes and 500,000 tonnes of where companies on three months' delivery terms.

Bulgaria's exports to Comeeveral Comecon countries could crops, such as strawberries, con markets-mainly the Soviet Union, East Germany and Czechoslovakia-consist of meat Food exports are Bulgaria's second most important source

and meat products, fresh and canned fruit and vegetables, cigarettes and dairy products. They are used to obtain in return energy and raw materials from the Soviet of hard currency, earning the As energy prices rise, agricultural prices are also expected frozen and canned fruits and to go up, because energy makes up 40 per cent of costs in some vegetables in North Africa, the Middle East and Japan.

### Negotiated prices

Prices offered by buyers in Western Europe are seen as too low, and exports have thus been concentrated on the "stable" socialist market, where prices are negotiated years in advance. Private plots of up to half an hectare exist for the use of Bul-garian farm families and are would allow it to produce two crops in a growing season. East Germany, for example, would be able to get more fruits and vegetables this way. Bulgaria is also interested in estimated to produce up to a quarter of farm output. While their contribution to food supply is acknowledged, Government policy is that the "per-sonal sector" must remain an exploiting the skills of its experienced personnel on joint projects such as the growing of appendage of the socialist economy, under close state control.

link to build freezing plants for cherries, and other berries. The fruits, vegetables and meat. early lettuce also normally come from private plots, which produce milk and meat in addior nard currency, earning the produce milk and meat in addi-country some 22 per cent of its tion and largely for their own convertible currency earnings. use. One-fifth of Bulgaria's Sales to the European Com-munity have fallen because of the same source. its quotas, but new markets Mainly retired people and have been opened for Bulgarian students worked on the private forces and compared finite and have been opened for Bulgarian students worked on the private

the rental of a stall, and assum-ing the risk of not being able to sell everything. Eighty per cent of the output

of the private plots on his farm are sold to the AIC. Factories and other institutions, including the armed forces, have been

encouraged to grow much of their own food on auxiliary plots of land and are apparently doing so with some success. The gardener lies fairly close below the surface in most Bulgarians. At the Georgi Dimitrov farm's

air-conditioned computer centre. information on daily work performances and the state of crops flows in from regional hureaus, which process information from some 36 branches. Part of the information is fed back to the regional centres for accounting purposes, using East German Robotron computers and the Bulgarian Uzoms. During the winter unused data processing capacify is leased to outside companies, which provide one-quarter of the operating costs.

According to Mr Nenkov farm employees can earn as much as 50 per cent more than their colleagues, if they exceed the plan target by a certain amount. If they drop below the target they drop below the target, 10 per cent is deducted from pay. The average annual wage is only 2,400 heva (the same amount in dollars at the official exchange rate) but employees receive double that amount in benefits, such as free produce, free medical treatment, and 30-days paid holiday. They can also qualify for a home building han of 12,000 leva at 2 per cent interest with 25 years to pay.



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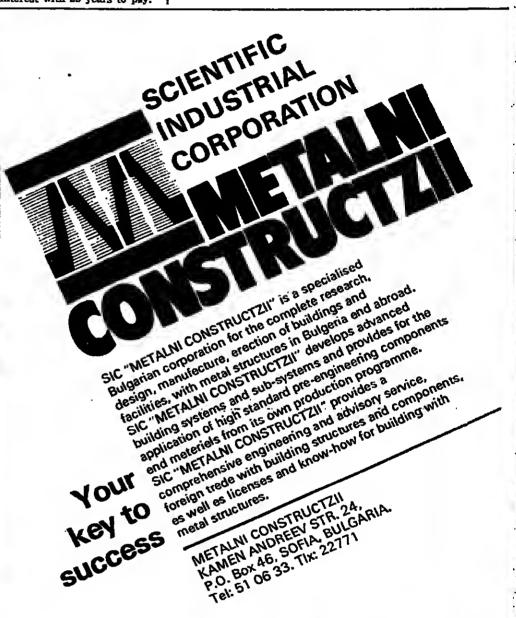
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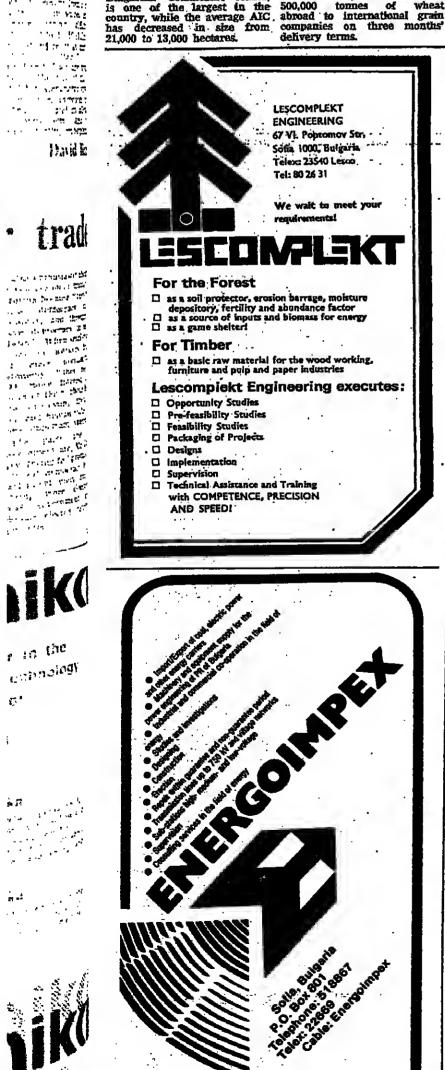
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citrus fruits, tea and coffee in Cuba. It is also possible that The family plots concentrate on growing labour-intensive

students worked on the private plot at the Georgi Dimitrov farm according to its director of economic planning Mr Georgi Nenkov. The farm bas contracts with the private producers under which they obtain lower priced seed and fodder and then sell the output to the farm.

The private plot producers can also sell their produce at can also see their produce at private markets in the towns, but Mr Nenkov said they earned "double" by selling to the co-operative, Selling the output themselves, be explained, meant transporting their produce to the private markets, paying for



Celebrating the commissioning of the fourth coke furnace battery at the Leonid Brezhnev iron and steelworks near Sofia. Soviet specialists took part in the construction of the new plant which will provide 650,000 tons of blast furnace coke a year

### Hardly a stampede

### Joint ventures DAVID BUCHAN

BULGARIA WOULD LIKE to have more Western invest-ment in the form of joint ventures. But officials in Sofia recognize that the response to their 1980 decree permitting joint ventures has been lukewarm, partly due to objections to some aspects of the Bulgarian law, and partly due to general political economic factors. and

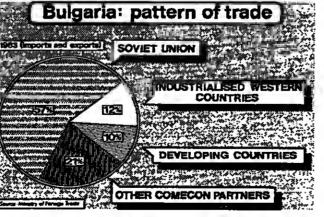
Thus, industrial co-operation agreements, rather than joint investment, are seen as the main vehicle for closer busi-ness ties between Bulgaria and capitalist countries.

So far only four joint ven-tures have been set up: with Fanne of Japan for develop-ment, manufacture and sale of industrial robots; with Mitsukoshi and Maruichi Soji of Japan for production and sele of consumer goods; with Tangra of Switzerland for making pens; and with Dow Chemical of the U.S. for chemical manufacture.

This is hardly a stampede, though other possible ven-tures are under discussion. The Bulgarian law, or Decree 535 as it is better known, does not exclude any sectors (concert default) from foreign (except defence) from foreign investment. But it expressly mentions "production, scien-tific - technical (research), engineering, development marketing and other kinds of activity in the area of industry, agriculture, con-struction, commerce, trans-port, services and tourism."

The main points about Decree 535 that potential investors in Bulgaria might bear in mind are:

· Equity. Foreign equity may be in each or in kind, such as plant or machinery, materials. know-how, and is not limited to 49 per cent of a joint



ventures capital, as in most other East European coun-tries which allow foreign investment. The general Bulgarian feeling, however, is that contributions from the two sides should be roughly equal and commensurate with the joint company's scale of operations.

• Management. The overall running of a joint venture is the responsibility of a management board, whose chairman must be a Bulgarian and whose decisions must be manimous. This considerably diluties are management addresses and a second s

dilutes any management ad-vantage which a Western company might bope to get from taking a majority stake. The chief executive director must also be a Bulgarian, themel in here cause their though in both cases their deputies would be expected to be nominated by the foreign partner. • Tax. The foreign partner's

share of the profits is taxed at 20 per cent if it stays in Bulgaria, and at 30 per cent if it is transferred abroad. Joint venture companies can also import most capital goods and materials without customs dotles. Foreigners working for a joint venture in Bulgaria are subject to income tax of 14 per cent and, if they have no children, to the so-called " tax

on childless persons" of 5-10 per cent. After that, further dnes.

other broader factors come into play, such as the rela-tively small proportion (22 per cent last year) of trade which Bulgaria does outside the Comeron area, and the recently tightened restrictions on certain kinds of Western technology which can be sold to the Communist bloc. Clearly, the times are not propitious for setting up joint ventures in electronics and computers, which are considered strategically sensitive by Western governments,

tique), Japan (Toshiba, Kobe Steel, Fanuc) and Britain (Plessey and Perkins).

foreigners can transfer half of their net earnings out of the country without paying any Obviously, potential in-vestors bave to size-up whether these arrangements suit them. Equally, however, But Bulgaria has a large

number of industrial co-opera-tion agreements, some 190 in total, with Western firms. Its biggest single partner is West Germany (notably with Siemens, Bosch, Krupp, Thyssen, and Daimler Benz), followed by Italy (Flat and others), France (Renault, Creusot Loire, Alsthom Atlan-



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### **Investment** targets already reached

assistance

young Bulgarian industry. Machinery/

Electronics PATRICK BLUM

THE INK had scarcely dried on the final communique from the Comecon summit held in we aim to no in zo or so years what other nations have done in 100 years or more," says Mr Mihail Bozarov, vice-minister of machine building and electhe Concepts strainty light in Moscow last Jone than a high-level Soviet delegation headed by Mr Aleksei Antonov, deputy chairman of the Soviet Ministerial Council, and including four ministers dealing with industry, arrived in Sofia to iron out details of Soviet-Bulgarian

industrial co-operation for the next five-year plan. rate for industry as a whole. The plan was "rather ambi-tious," but targets will be met and will be overfulfilled in some At the end of the visit, the drst of its kind after the summit between the Soviets and one of their Comecon partners, several branches, Mr Bozarov says. By agreements were signed on co-operation in machine building, 1985, the plan's final year, pro-1985, the plan's final year, pro-duction will have gone up by over 60 per cent. About one third of the Leva 9-10hn invested in industry will have gone to mechine building — with heavy industry taking nics and automation.

The visit must have been gratifying to the Bulgarians who had high expectations about the summit and it provides a measure of the close ties that exist between the two countries. This is especially true in two energy and machine areas: 4

### Larger share

Bulgarian hopes of a larger share of intra-Comecon industrial co-operation appear to have borne fruit: Bulgaria's production of machinery and electronics during the next fivehave produ year plan is to be considerably expanded, with some branches doubling or trebling output. The larger part of the addi-tional output will go to the Industry

grew at an even greater pace: the production of machine tools including computer controlled The Soviet Union is already units rose by 66 per cent, as did the production of industrial by far Bulgaria's most impor-tant trade partner. Of exports robots and manipulators. The production of programmed of machinery and equipment worth Leva 5.7bn in 1983, between 50 and 60 per cent were to the Soviets. In 1983 Bulgaria netted a Leva 1.6bn digital computer equipment for operating robots and manipuwere to the Soviets. In 1983 lators rose by 30 per cent, But Bulgaria netted a Leva L6bn while the percentage increases surplus in its sales of machi-nery and equipment to the still moderate. In the first three Soviet Union. Soviet-Bulgarian co-operation, however, extended Soviet Union. Soviet-Bulgarian months of this year 200 high co-operation, however, extends capacity machine tools, 252 beyond trade to major engi- industrial robots and manipu-neering contracts and Soviet lators and 227 computer

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controls were produced. But these sectors will see significant expansion in coming years.

**BULGARIA** 4

Soviet belp has played a considerable part in the rapid Within the Comecon area development of Bulgaria's machine building industry Bulgaria is aiming at a larger share of the market both in traditional products as well as in the new high technology which in the Bulgarian defin-tion includes electronics as well as industrial robots, machine sectors. tools and mechanical engineer-

"We are a major supplier of electric and diesel vehicles, of fork lifts, conveying and storage equipment for We aim to do in 20 or 30 storage equipment factories, of machine tools, well as of electronic and tele-communications equipment Production will be intensified In the first three years of

in all these branches and in some of these we will double or treble capacity." Mr Bozarov the current five-year plan (1981-1985) machine building has grown at an annual average rate of 10 per cent, twice the SAV5.

Long-term security

To meet such ambitious targets overall industrial invest-ment will be increased by 40 per cent in the next plan with an emphasis on improving amality mediativity and productivity nality. efficiency.

"We're not going to invest in more production capacities hut in intensifying production, over 30 per cent, and electro-nics and computers about 16 per using new technologies, and in improving the quality of our products.

nics and computers about 16 per cent. Investment targets for the period have already been reached and the ministry is now providing additional funds. Figures for the first quaster of this year continue to show high growth for machine build-ing; overall industrial produc-tion ruse by 3.3 per cent com-pared with the same period in 1983 while output for the With near 60 per cent of their trade with the Comecon, Bulgarlans shrug-off western re-strictions on trade with the Eastern bloc. "It's like the rain, we have to live with it. of course it has caused some problems... but on the whole we have managed to satisfy our needs through our own produc-1983, while output for the machine building industry rose by 10.1 per cent, according to the Chamber of Commerce and needs anongo our own produc-tion and through co-operation with the Socialist countries. The strong integration with the Socialist countries in high tech-The high technology sectors

nology allows us to cope and we have no serious problems," Mr Bozarov says.

Bulgaria's share of intra-Comecon trade is far higher than for other Comecon members but this has not restrained its appetite for co-operation with western firms. Economic integration within Comecon acts as a safety net guaranteeing markets and allowing Bulgarian companies to experiment with foreign ventures which they actively seek to establish in the West whether on a joint venture basis or

How Western trade curbs can prove beneficial



Tuning the hand of a Pirin gantry manipulator produced at the metal-entitingmachines plant in Sofia

simply by taking a stake or fork lifts now in receivership, buying up existing companies, has not discouraged Balkancar a practice unique among Come- which is still looking fo buying up existing companies, a practice unique among Come-

con countries. Bulgarians believe that they will continue to enjoy good business relation with western Balkancar already has joint companies including U.S. ones regardless of the deterioration in the international political climate between east and west. Business is business," state company officials say. The unsuccessful attempt la

year by Balkancar, the fork lift truck maker, to get an equity stake in Fenwick Manutention, the French manufacturer of

western partners.

ventures with Irion. Technip of France, and Technipetrol of Italy. It has more than a dozen western licences, most of them for component manufacture as with Bosch for electric motors, Plessey for hydraulics, ZF of West Germany for steering, and, since last year, with Steyr-Daimier-Puch of Austria for completed modular buses.

Within Bulgaria's borders Fanue Machinez, a joint ven-ture for servicing robots be-tween Fujitso Fanue of Japan and the Bulgarian trade and engineering company Machinoexport, was one of the first to be set up under Decree 535 of 1980 which permits joint com-panles in Bulgaria. As yet few western companies have taken the plunge and set up produc-tion in Bulgaria but Bulgarian

has agreements with Sweden's L. M. Ericson and Cit-Alcatel of France. Mr Nikola Monoy,

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Telecom general director, says the company has not been affected so far by western restrictions on technology transfers; "We have just signed a number of contracts with a minister of contracts with western firms. The U.S. embargo will not affect us because our business is mostly orientated towards the Comecon and the Soviet Union," he says.

Strong integration

Between 70 and 80 per cent of both companies' exports go to the Comecon with the Soviet Union taking by far the largest share, a situation typical for many Bulgarian companies. Officials say that Bulgaria's strong. integration within Comecon and access to the vast Soviet market provide addi-tional opportunities for western tion in Bulgaria but Bulgarian firms. They also argue that Bol-companies have had more garian companies can offer success in the ups outside western partners can offer

### Pharmaceutical Products

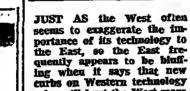
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sales will hurt the West more than it. It is therefore interesting when the Soviet bloc throws up a concrete instance where a Western restriction has actually accelerated indus-trial development in the East. The Soviet Kamaz truck plant, the biggest in the world, was originally designed to take West Ger-man gantry-type robots or manipulators. But the sale of these to Kamaz was embargoed seven years ago. So, the Russians turned to Bul-garia, which had developed something of a speciality in simple electronics but np to then produced very little in the way of robots. The result today is the Beroe robot plant at Stara Zagora in ceniral Bulgaria, which produced all the robots for Kamai and now accounts for 80 per cent of Bulgarian robot output. Robotics are still a very small part of Bulgarian indus-

Robots

DAVID BUCHAN

try. But it is, according to Mr Vassil Tjurkedjev, director of the Beroe plant, a sign of the country's industrial sophistication because depends heavily on skills in two other sectors: mechanical engineering and electronics. Bulgaria has won for itself a Builtaria has won for loss a leading role inside Comecon in these two sectors, and it. was hardly surprising that last year's 11.7 per cent increase in machine building and electronics output far outstripped any other sectors in Bulgarian industry. Bulgarian politicians seem confident that Bulgaria will, if anything further increa se its Comecon market

share fellowing the recent summit of Comecon party leaders in Moscow. The Beroe plant has two main product lines. The first are non-digital robots with hard kinematic control, used for instance on mass assembly lines of cars or trucks and tractors, where there is relatively little variation in pro-duction technique. A large number of these robots is number of chese robots is suspended from gantries and used for lifting, with lifting power from 16 to 160 kilo-grams (and up to 300 kilo-grams in the case of some custom-made machines).



trialised members: the Soviet Union, East Germany and Czechoslovakia. Sales to the West have not yet materialised, though - Mr Tjurkedjev sees a potential customer in the UK, Oleo Pneumatic of Learnington Spa which wants to automate its Coventry production line of railway buffers.

Beree's second main category are what Mr Tjurkedjev calls his "flexible robots," electronically pro-gramme machines used in gramme machines used in specialised production and on variable assembly lines. Beroe has six robots in this family: a two arm robot for machine tool production; a spray paint-ing rebot with a floppy disc so that it can be "educated" hy hand-guided movements being recorded on the disc and then recorded on the disc and then repeated automatically; an electro-hydraulic robot, of lift-ing capacity up to 350 kilo-grams, and built under licence from Versatran of Chicago with adaptations by Beroe to give it a wider working range electro-mechanical above built electro-mechanical robots built

1. Solution of the second s

under licence from Fanne of Japan, production of which will expand because the robots are light and considered easy are light and considered easy to operate; rebot-welding equipment, developed in con-junction with the Technical Robotics and Cybernetics Institute of Sofia and the famous Soviet Paton Institute in Kiev; and finally, small modular robots which Beroe honce can be standardised hopes can be standardised throughout Comecon,

**Reagan complications** Beroe exports about 60 per cent of its production, almost exclusively to other Conecon countries. While this may be a disappointment in terms of a chappennineta in terms of failure to earn hard currency, it is at least offset. Mr Tjurkedjev says, by the fact that Beroe imports virtually nothing in terms of components from the West, even for the machines built under U.S. or Japanese licence. The 40 per cent of components that Beroe imports come from the East, which is comforting in financial and strategic terms. "We are still trying to buy technology from the West,

but Mr Reagan is giving us complications," Mr Tjurkedjer says in reference to pressure by the Reagan ad tration to get Western silies to lighten vonirois on the sale of robots and robotics on the

ground that such technology would whence the quality of Soviet bloc military as well as civil production. "But Mr Reagan may be doing us a favour in certain casts because he pushes us to develop things more quickly than we would otherwise have done and makes us more int dent," the Berse director says, and cites the Kamar incident as precedent. Does Mr Tjurkedjev con-cede, at least in theory, that robotics has a strategic value (as the Reagan alusicistration sees 117) Not really. Answer ing more like a sociologist than an industrialist, he sees the benefits of automation as, first, relieving humans of boring or hard labour, secoud, as contributing to a more skilled work force and the "intellectualisation of society," and, only third, improved quality.

electric trucks at the

Comecon. Machinoerport, one of Bul. garia's foremost companies with an annual turnover of near US\$1bn, has established several

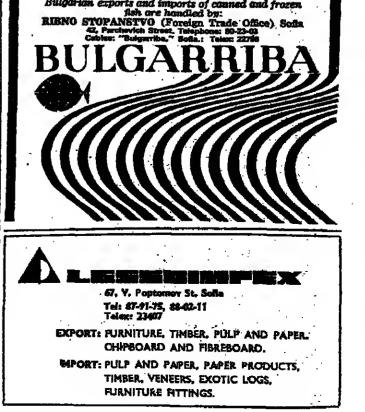
partnerships with western com-panies. It has an engineering partnership in Tokyo, Atlas En-gineering, with Kobe Steel, C. Itoh, Milisui and Toshiba, a venture with GKN contractors, Balkan-British Engineering, for projects in third countries, and a wholly-owned manufacturing company in West Germany, Roeperwerke Maschinenbau, as well as trading companies in

security and that this is especially attractive at times of uncertainties in international markets. A strike-free environment and investments guaranteed by the state are added

The possibility of western financing in specific sectors is also left open. "We would be mostly alming at drawing loans or credits for some technologies and licences or specialised equipment. We wouldn't waste funds on raw materials which wouldn't give a return on in-vestment," Mr Bozarov says.

well as trading companies in Italy, France, West Germany, Greece, Norway and Singapore. Telecom, a trading and en-ginearing company specialising in electronics and telecommuni-cations with an annual turnover of about US\$500m and exports worth US\$420m, has been equally ective in seeking links with western companies. It produces telephone exchanges under licence from Siemens of West Germany, micro-proces-sors and erchanges under licence from Kapsch and Sat Schrack, both of Anstria, and it Schrack, both of Austria, and it Mr Bozarov says.

Selected fish, frozen immediately siter being caught by the modern trawiers operated by State Economic Associ-ation "Bibno Stopanstvo," arrives in perfect condition for processing at the Slavyanha Cauning Factory. Here, the same traditional care and technological skills are utilised to produce cauned fish which enjoy consumer acceptance in the domestic market and in other Euro-pean, Asian and African countries. Bulgarian exports and imports of cauned and frozen fish are handled by: RIBNO STOPANSTVO (Foreign Trade Office). Sofia 42, Parchevich Spreet, Telephone: 50-23-03 Cables: "Bulgariae," Bola.: Telem: 2276



Financial Times Friday September 7 1984 . . . .

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### **BULGARIA 5**

### Low-cost Soviet oil aids trade balance

#### Energy PATRICK BLUNE

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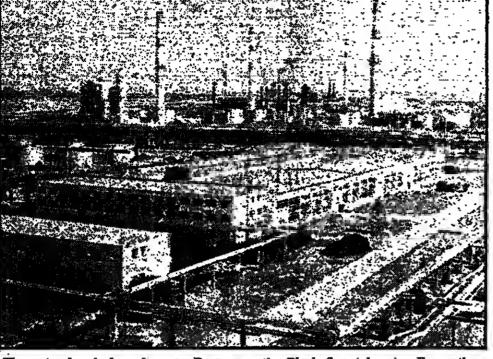
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IN CONTRAST with its neighhours, Bulgaria has never had great difficulties getting relatively cheap energy from the Soviets. It provides the Soviet Union with a wide range of industrial and petrochemical products, and in return depends on Russia for 75 per cent of its oll imports and all its gas. Bulgaria's imports easily cover domestic needs and, since cover domestic needs and, since it also imports oil from the Middla East — albeit at higher prices — it is able to chalk up welcome bard cur-rency revenues through the sale of petrochemical and down-ctrasm products to the Wast stream products to the West.

The Comecon summit last. June cemented this close energy relationship, and for the duration of the next five-year plan (1986-1990), imports from the Soviet Union will remain pretty much at current levels. Bulgarian officials say that prices for imported energy, especially oil, will continue to be calculated on the basis of an educted automate of world. be calculated on the basis of an adjusted average of world prices during the previous five years. Some flexibility is kept for possible adjustments but any significant upward changes would require also making changes in other intra-Comecon trade prices and this would trade prices, and this would require lengthy negotiations. Bulgarian officials admit that Soviet oil comes cheaper than buying on the open market in the West but they reject the idea that this amounts to a sub-sidy. Cheaper oil is paid for with cheaper exports to the Soviets they say. Mr Krassin Ganchev, man-

aging director of Chimimport, the state oil, gas and petrothe state oil, gas and petro-chemicals monopoly, explains; "The price system within Com-econ countries applies to all goods and trade between us. The price of other products are also lower so there is no finan-cial advantage. The theory that we are being financen through large plants producing change low priced Soviet oil is not only large plants producing change but it. demonstrates a cals and fertilisers, as well as wrong but it. demonstrates a cals and fertilisers, as well as wrong but it. demonstrates a cals and fertilisers, as well as wrong but it. demonstrates a cals and fertilisers, as well as we are being financed through poor knowledge of our price system," he says.

Daidh



The petrochemical works near Burgas on the Black Sea (above). Four other large plants produce chemicals and fertilisers, four plants provide fibres and several smaller plants make tyres and plastics. Bulgaria's own plants now produce between 85 and 90 per cent of its domestic needs

accounts for over nine per cent which generates over one fifth struction of the plant has begun of industrial assets and for of Bulgaria's electricity is cur. It will produce domestic and about 17 per cent of industrial rently being expanded and will industrial heating for Sofia and rently being expanded and will provide an extra 15 per cent capacity by the end of this year. By 1990 Maritsa-East's total genproduction.

Until 1980 it was growing at an annual average rate of 18-23 per cent. The pace of deve-lopment has slowed somewhat since then although this year it is still expected to show a 3.360 MW. is under construction at Chaiza to provide 600 Mw from 1986. healthy growth rate of over six per cent compared with overall growth of 4.5 per cent for the whole industry. power which will provide about 60 per cent of all electricity produced by the end of the

### Fertiliser plant

According to estimates the Bulgaria now boasts a vast petrochemical complex at Bar-gas on the Black Sea, four other large plants producing chemi-International Atomic Energy wrong but it demonstrates a case and retrinsert, as welt as poor knowledge of our price system," he says. Bulgaria imports 10-12 mil-ion tonnes of oil from tho Soviet Union and another 3-5 lion tonnes from Libya Iran, watiations from Libya Iran, yariations from Libya Iran, 'yariations from Libya Iran, 'yariations from Libya Iran, 'yariations from Libya Iran, 'yariations from the Sourcebic four the Soviets. Oil imports from the Middle East and North Africa are mostly paid for by the sale of industrial products or in return for engineering works and other services. Imports from non-communist countries are ex-

of Bulgaria's electricity is cur-in the produce domestic and rently being expanded and will industrial heating for Sofia and provide an extra 15 per cent neighbouring towns and have capacity by the end of this year. a capacity of 300 MW. The By 1990 Maritsa-East's total gen-feasibility study for a second erating capacity should reach plant has also been concluded. A new hydro-electric plant

Soviet assistance has played a crucial role in the rapid development of Bulgaria's on-ergy industry, a fact readily aknowledgedby the Bulgarians, and this momentian will so to provide 600 Mw from Labora aknowledgedby the Burgarman, sion is envisaged for unclear and this co-operation will re-main a predominant factor in the future.

But Bulgaria's ambitious energy programme will also place it in a strong position as a regional energy supplior. Offi Agency Bulgaria already ranks cials say that developments are sixth among industrialised designed to meet domestic designed to meet domestic nations for generating electri-city from nuclear power. The already been supplying electri-current plans would make city to Greece, Turkey, Yugo-Bulgaria the largest single user slavia aud Romania.

Bulgaria the largest singlo user of nuclear energy per capitia. The agreement with Greece broke down earlier this year 1,000 MW reactors is already when according to Greek sour-ces, Bulgaria unitatorally relacting to the agreement with Greece sour-source and the agreement with Greece sour-source and the agreement with Greece broke down earlier this year the agreement with Greece broke down earlier this year the agreement with Greece broke down earlier this year the agreement with Greece the agreement with Greece the agreement with Greece broke down earlier this year the agreement with Greece the agreement with Greekee the agreement with the agr 1,000 MW reactors is already when according to Greek sour-under way at Bulgaria's sole ces, Bulgaria unitatorally raised nuclear power plant at the price of its electricity ex-Kozlodoul on the Danube. Mr ports by 10 per cent. This is Athanas Georgiev, science and regarded as a temporary halt technocology director at tha in Sofia. Meanwhile negotia-Energy Ministry, says that the plant now produces 1,760 Mw Turkey on increasing exports. from four 440 MW reactors.

MR KRASSIN GANCHEV, managing director of Chimimport-the state monopoly re-sponsible for supplies and exports of oil, gas, petrochemicals and chemicals-has a finger ou Bulgaria's econo-

mic pulse. Founded in 1947 to supply Bulgaria with chemicals, Chimimport has grown to become the country's largest single trading organisation. With imports and exports forth U.S.\$5.3bn in 1983, it accounted for over one-fifth of Bulgaria's total trade turn-

**Biggest turnover** 

"We have the largest turnover in Bulgaria. The next largest company bas a turn-over three times lower than ns," Mr Ganchev says, At first glance the com-

pany's annual figures show that its imports are a good deal higher at U.S.\$4-2.01bn than its exports, which were worth U.S.\$1.25bn in 1983. But apart from the company's circulation in 1983.



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of Bulgaria's total trade turn-over. The Comecon countries were Chimimport's most im-portant customers, with U.S.\$3.64bn worth of trade, tho West's share was U.S.\$1.7bn.

finished products to produce only final products. Instead we created a chemical iodustry which is able to produce all the basic products." This, he argues, could not have been done without the crucial help of the Soviet Union.

Maintenance operators at the chemical combine in

Vratsa which manufactures nitrogen fertilisers and other chemical products

PROFILE: CHIMIMPORT

Chemical giant

predominant

He adds "to consolidate our name on the inter-national market and face successfully the strong competi-tion we relied entirely on the intelligence, flexibility and creativity of our hard-work-ing staff."

The company now deals in several thousand products, has an export list of about 150 products and trades with more than 1,000 companies east and west including the U.S. Relations with these companies remain good des-pite deteriorating political

relations, he says. "After the U.S. Senate's decision (to block promo-tional funds for trade with Balgaria) we received assur-ances from U.S. companies that they intended to main-tain good business relations with us. One firm even asked if it should issue a statement to that effect," Mr Ganchev claims.

. . . . . EXPORT

services. Imports from non-communist countries are expected to grow although not at the expense of the Soviet supplies. ..... . .

Currency surplus

Almost all non-Soviet energy plants imports are processed in ones. Bulgaria and sold as petro-Beau chemicals and sami-finished are so products to the West. This has rials a greatly helped Bulgaria build has to beau greatly helped Bulgaria build up a hard currency trade sur-plus and contributed to re-ducing its western debt to the lowest level in the Comecon. Bulgarians are scoretive about their energy trade and Mr Ganchev plays down the benefits to Bulgaria: "The pro-

lowest level in the Comecon. Bulgarians are secretive about their energy trade and Mr Ganchev plays down the benefits to Bulgaria: "The prover generation is mainly fits from this trade are not that high because the price of crude off (bought outside the Soviet Union) is high to stairt with." He says. Nevertheless Chim-import sales of chemicals, petrochemicals and other down-stream products in 1983 were summth TIS et asther of which

Mr Ignat Iosifov Frantsov, coal, deputy minister for the chem-ical industry, says the industry mand several projects are al-currently employs about three ready under way. The coal fired per cent of the total workforce. Maritsa-East plant near Ploydiv



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Bulgaria then Balkan has really excellent connections, throughout Europe, Africa, the Middle

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which Bulgaria has a near mon-opoly within the Comecon. stments will remain at Inve

about Leva 500m a year until 1990 although more will be spent on modernising, rebuild-ing and expanding existing plants than on building new

Bulgaria is also pressing venues from electricity exports ahead with plans to build its on top of those it already earns first auclear power plant for from the sale of oil products reactors. Beause domestic resources are scarce and local raw materials are of low quality Bulgaria has to rily on imports. Mr Boncho Bonchev, first deputy minister for energy and raw material resources says that more imports will be necessary

Crane

maker

looks

West

Nuclear power

decade.

heating. Officials say that con- to the west.

PROFILE: BALKANCAR PODEM

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its neighbours are on an ex-Nuclear power A new 1,000 MW reactor, built with Soviet assistance, should be operational by 1986 to be followed by a second two years followed by a seco

followed by a second two years later. Construction has also started on a second nuclear power plant near Belene, fur-ther east on the Danube, which in the more confortable posi-tion where the second nuclear the second nuclear is own tiny industries. It is now will have four 1,000 MW tion where it can expect to reap extra hard currency re

strategic importance as pro-vider of onergy, it also fulfils In any case the row is not expected to affect an agree-ment signed earlier this year another important rolo as a major earper of hard curwith Dow Chemical to estab-lish a 58-50 joint venture rency for Bulgaria through the sale of oil products to the West which were worth U.S.5900m last year. company in Sofia. "This was not an easy agreement to reach because it involves joint investment Mr Ganchev likes to think that Chimimport's predomiand production, trading in third countries as well as research and development.

nant place in the economy is the result of individual effort as well as good long-term "Unlike other countries we

didn't choose the easy way out, buying all our chemicals, raw materials and semi-

### perous. Both companies are eager to make it a success."



Patrick Blum

We hope that it will be pros-

The only activity in Bulgaria that's going downhill SKI Bulgaria

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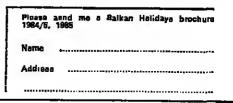
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worth U.S.\$1.25bu of which cities we will substitute coal U.S.\$900m were to non-Com for oil and refit (existing) munist countries. The Bulgarian chemical indus-try — which includes petro-chemicals, chemicals, rubber and plastic as well as pharma-ceuticals and cosmetics — is pro-the second, meet important

the second nost important hydro-electric power, four per branch in the economy after cent from gas and three per machine building and cent from oil. The remainder is electronics.

of electric hoists, storage machinery and eranes, is not worried at being over-shadowed hy its parent com-pany Balkancar, the world-leading manufacturer of lift trucky While the inter staal trucks. While the latter steals the headlines with attempts to take over western companies, Balkancar Podem has in a relatively short time estab-lished its own network of

BALKANCAR PODEM, maker

trading and production com-panies in the West. panies in the West. In Italy if owns 72 per cent of Misis Paranchi which makes hoists. In Portngal Pinhol Gomes makes cranes under a production agree-ment, and Fetim its fully-owned subsidiary in Singapore also makes cranes. Altogether it has concreation agree-

it has co-operation agree-ments with 24 companies outside the communist bloc.

West

"We are the number one company making electric hoists," claims Mr Pencho Boursy, president. the company's

Last year the company ex-control about 122,500 holsts. a comparison its main com-petizor is West Germany prepettor is West Germany pro-duced only 40,000 hoists, Mr Benney says. The company's tarmover last year was U.S.\$220m with company profits of about U.S.\$26m representing 12 per cent of turnover. The company plans to double production during the next five years. Balkancar Podem appears

to have found a relatively

comfortable niche in the world market for holsts. It exports to 40 countries al-though the largest share goes to the Soviet Union (60 per cent), the other Comecon countries (about 20 per cent) and the remainder to the

The country's largest producer of electric trucks is the September 6 plant in Sofia

But it also makes highly specialised storage manipulating machinery the production of which it now bapes to ex-pand with the development of we are now experimenting with joint ventures in Italy and Argentina to preduce complete systems," Mr Bouzov says.

In 1983 Balkancar Podem took full control over production and marketing from Balkancar although it already had responsibility for production since 1976. The company is now completely indopendent. The break was necesthing to worry about. sary to allow greater concentration on development and marketing, Mr Bouzov says-"Balkan-car makes fork lifts

and the production of these gives a number of problems. Solving these distracted the management from (dealing with) other problems."

because of the crisis. Only the big ones remain in busi-ness," Mr Bonzov says. Ho admits that access to the Comecon markets gives Balkanage Bodom an adm

Balkancar Podem an edge over its Western competitors

P. B.

during the next five years. that hardly seems to be some

by providing a guaranteed level of production and stability. "Obviously it allows us to look at other markets without werrying about going bankrupt." With company plans to double production

Difficulties in the industry world-wide have led the company to concentrate more on its Comecon market. "There is high competition in our branch. The number of our competitors has been reduced



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### TECHNOEXPORT ENGINEERING SURVEYS DESIGNS

DELIVERS ERECTS

MAINTAINS Complete Plants and Single Machine Units In the field of:

FOOD AND TOBACCO INDUSTRY Stargitter Houses and Meat Processing Plants Only Plants Plants for processing of Fruit and Vegetables Bottling Machines Tobecco Processing Production Lines, etc REFRIGERATION, AIR CONDITIONING AND PURIFYING TECHNIQUES Cold Storage Plants for meat, fish fruita & Vegetables Conventional execution or "candwich" panela los Generating Plants Air Conditioning Plants Purifying Equipment, etc. LIGHT INDUSTRY Tannery — Furviery Plants Textile Machines Plants for Essential Olis, etc BUILDING INDUSTRY Caramic Plants Plants for Concrete Members — Prefabricated Building Equipment Hiding Machines Is and Equipment for the Glass Industry, etc GREENHOUSES AND FACTORY HALLS





Exports annually over one million tons to about 70 countries all over the world. The export list of the company includes more than 300 kinds of items, rich in vitamins and of high mutritive and digestive qualities. —EXPORTS all kinds of fresh and processed fruits -EAFURITS all kinds of fresh and processed fruits and vegetables, pulps, wild fruit, flowers, etc. -IMPORTS fresh and processed citrus and other southern fruits, vegetables, etc. -CARRIES OUT re-export and other specific foreign trade transactions and engineering activities.

### Bulgarplodexport

BULGARPLODEXPORT FOREIGN TRADE COMPANY 22 Alabin Street, Sofia Telephones: 84-51 and 88-59-51

### Somat's international route

**BULGARIA 6** 

### **Road haulage LESLIE COLITT**

In June 1981 Somat launched Medlink, a new sea freight linc to Tartus in Syria. It was designed to get around the bottleneck in land traffic which had developed through Turkey and because Bulgaria was exempt from Turkish transit fees it enebled Somat to calcu-late its rates very tightly.

ONE MIGHT legitimately ask what Europe's largest road haulage operator is doing in little Balgaria. Somat, the inter-national road transport com-pany, operates between 4,000 and 5,000 trucks and semi-trailers and is one of the most commercially aggressive com-panies in the country. It has to be: Somat mainly fees it enebled Somat to calcu-late its rates very tightly. The new port of Pokrayna was completed last April near Vidin on the Black Sea which is serviced by two 2,400 bp twin-hulled Ro-ro vessels built in West Germany, the largest on the Danube. Carrying up to 50 trailers and trucks each, they ply between West Germany, and Pokrayna. With their shallow draught up to 1.65 metres, they will also be able to use the Danube-Main-Rhine canal in southern Germany when it is completed. panies in the country. It has to be: Somat mainly works in the non-Communist world transporting goods from Western Europe to the Middle East, which makes up 30 per cent of its business. The key to Somat's size is the maggraphy of Bulgarie which

completed.

geography of Bulgaria which straddles the land routes be-Six vessels

irradules the fault routes be-tween Western Europe and Tur-key: most international agreements governing road transport stipulate that trans-port to third countries must cross one's own territory. Two Yugoslav-built ships are used on the route as well and Medlink will eventually operate six vessels, able to transport some 15,000 freight trailers

port to third countries must cross one's own territory. According to Mr Anastas Val-kanov, Somat's director of marketing and research, the company has the spare capacity to handle Western business because the volume of Bul-garian exports to Western Europe is greater than its im-ports. He estimates that none of his Western competitors, mainly in the Netherlands, West Germany, and Austria, West Germany, and Austria, West Germany, and Austria, has more than a 5 per cent share of the Europe to Middle East haul while Somat claims

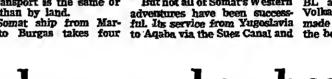
West Germany, and Austria. A shipping route was opened has more than a 5 per cent last spring by Somat connecting share of the Europe to Middle East haul while Somat claims one third. Somat claims drivers, 2,500 technicians and administrators. Last year's Medlink II the line which turnover was \$400m in hard currency making it one of the "big 10" Fulgarian port of Burgas. Two Somat employs some 7,500 delink II the line which designed to attract French and Snartic commonies which pre-

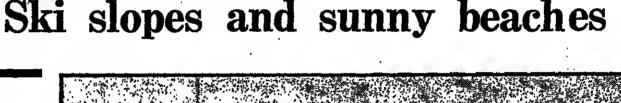
by Mr Valkanov, to be an eager days, generally quicker and client. An Italian shipping cheaper than by truck. From company is also said to have Burgas the freight goes by expressed interest in extending the line to an Italian port. Company company is also said to have Burgas the freight goes by truck through Turkey to its final destination in the Middle East. expressed interest an extending "turk through turkey to us man the line to an Italian port. destination in the Middle East. Somat says that using both its The market is said to be react-river and sea vessels saves tran-sit fees, drivers, fuel and equip-ment for its clients, while the is good.

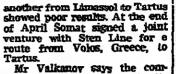
Unloading a tank in Varna harbour, part of a general

cargo of nearly 20,000 tons.

administrators. Last year's Mellink 11 the me which the line to an Italian port designed to attract French and river and sea vessels saves tran-"big 10" Bulgarian companies Spanish companies which pre-said to be edout the same as in Middle East. said to be edout the same as in Middle East. said to be edout the same as in Middle East. the West in the transport busi-to 6 per cent of turnover. Middle East, show, claimed save shore to Burgas takes four to the success. the meas, sunning about 5 per cent to the area, is now, claimed save, claimed save, claimed save to Burgas takes four to the success. the meas, sunning about 5 per cent to the area, is now, claimed save, claimed save start of turnover. the meas a success to Burgas takes four to Agaba via the Suez Canal and the best technical offer.







PROFILE:

ANASTAS VALKANOV

Financial Times Friday September 7 1984

Mr Valkanov says the com-pany means to expand its "intermodule" transport using trucks and ships, and then trucks, to the final destination. The next move it to offer a large choice of services to clients. Somat currently has couthern "export lines"-dally truck departures from Western Europe-- and guaranteed short-time delivery to Iran, Iraq. Synta, and Kuwaat. According to Mr Vladimir Dimitchev, manager of market-ing research and development at Somat, it is essential for the company to be able to offer clients a package of services. Road transport generally is seen as having good medium-term prospects from Europe to the Middle East as the econo-mics are not expected to change dramatically in favour of rail-

facturer, with requests for alterations to meet Somat requirements. If this is done the maker is invited to bid on

pany. After marrying in 1968, he left his home town of Burgas at the Black Sca, where he was employed in a shipyard and came to Sofia to work for and came to Sofia to work for Transimper, a foreign trade organisation which imports and exports shipping equip-ment, Later, he attended the Karl Marx Institute of economics and foreign trade, Except on the rare occasions when he visits a shiphufider, Mr Valkanov says he does not regret having he does not regret having gone over to the commercial side: "A technical background usually makes you more realistic," he observes.



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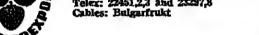
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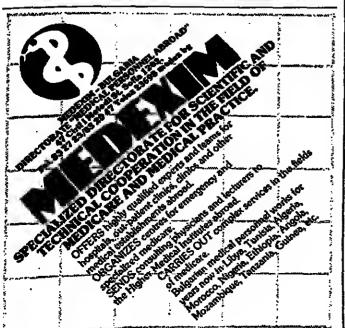
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JERCS

MR ANASTAS VALKANOV, the 41-year-old director of marketing research and development in Europe'e largest trucking company, was trained as a naval architect. Was This just happens to fit in with his company's expansion into roro river and scagoing ships carrying the logo of Somat, Bulgaria's inter-national road transport com-







resorts along the Black Sea. But it also attracts some 700,000 Western visitors annually and they are the country's sixth most important source of hard cur-

Tourism

LESLIE COLITY

BULGARIA is the playground of Eastern Europe, luting 14m sun-starved citizens of the Comeon countries, mainly to its

rency. hutil now, Bulgaria has catered for low-budget Western families who can get two weeks at the beach for less than they would pay almost anywhere else. An upgrading of facilities is is currently under way, however, with new hotel villages being constructed at the Black Sea with the help of Western

A 2,000-bed village for French and Finnish tourists is being bullt by a Finnish com-pany north of Burgas. To the south, a similar complex for West German and Austrian tourists is under construction by an Austrian firm. The new Druzba Grand Hotel in Varna was built by a Swiss company. Beginning with the next five-year plan in 1936, the hotels built in the 1950s and 1960s at the two main Black Sea resorts. Sunny Beach, 41 km north of Burgas, and at Golden Sands near Varna, are to be modernised and the infra-structure improved with more sports offerings and facilities for children.

### Improvements

The scope for improvement is evident. Smaller restaurants in Bulgarian folk style are needed, for example, to leaven the monotony of cavernous restaurants et the Bulgarian see coast, built to feed as many people simultaneously as pospeople simultaneously as pos-sible. A few private restaurants were permitted to open but some have already been closed down again. Not all Westerners find it easy to spend two weeks without being able to read a Western newspaper except the occasional Morning Star.

West Germans make up the bulk of Western holidaymakers at the sea coast although their numbers are dwindling. Last year 95,000 West Germans took their holidays at the Bleck Sea, well down on the peak in 1981. A good many of them are said to have dropped out of the boliday market because of the economic ecession et home. Some, however, have un

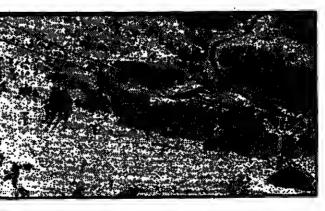
Beach and Golden Sands were ally, are said to be showing created out of virtually nothing interest in winter programmes and the hotels and facilities are et Bulgaria's three main ski somewhat spartan by current centres, to which a fourth, in standards

The British, Scandinavians garia expects to gain up to ful part of Bulgaria's largest 50,000 more hard currency mountain range the Bhorest and Dutch are replacing the West Germans and, overall, Bultourists this year than last. Britans, according to Mr Todor Nanov of the Bulgarian Tourist Association in Sofia, stay in better-class hotels than the West It offers sking for beginners and experts until late spring on runs serviced by four chair lifts and two ropes. The ski school offers instruction et five levels Sermans and are more interested in exploring the country.

of competency. A new hotel, the Perelik, is Thomson Holidays is reported as wanting to double its Bul-

Summer and winter sports: above, yachts, speed cutters and water skis at the resort of Albena. Bottom: Sofia's citizens ski at Mount Vitosha near the capital





doubtedly gone to Spain and garian programme next year pool, sauna, bowling alley and elsewhere in search of a more using higher category hotels a restaurant seating 650. There animated holiday. Both Sunny and UK tour operators, gener- are several folk-style restaurants nearby where Rhodope specialities can be sampled, This part of the country is dotted with villages such as Shiroka Luka containing many the Pirin mountains, is to be added,

examples of the engaging national revival style of architecture.

Visitors to the capital of Sofia can enjoy the mountains at any time of the year. They are within reach of the Sofia transport system - a principal reason why Sofia has offered itself as a candidate city to host the

Olympic Winter Games in 1992

the end station and switching to a 66 bus, residents of Sofia fresh produce. One useful stream on weekends to Vitosha souvenir to bring back home mountain which is virtually a suburb of the city.

After a ride of about 50 minutes passing chalets built for prominent Sofia citizens, the bus stops at a height of 1,800 metres. From here the athletic Bulgarians hike to Cherni Vrah (Black Peak), the 2,290 metre summit of Vitosha, Hardy grandmothers and grandfathers, some with transistor radios playing in their rucksacks keep up a withering pace so that one

is inclined to believe the stories about Bulgarian longevity-normally attributed to regular yogurt and sheep cheese consumption.

cover the typical Bulgarian to be good-humoured and with a

great zest for life, this basic intendiness contrasts with the sometimes hostile attitude encountered toward guests by hotel personnel. This, however, is not unusual in Eastern Europe where underpaid hotel personnel become embittered by their contact with relatively affluent westerners.

the turn of the century. The Alexander Nevsky Memoria Church built in the 1880s in gratitude to the Russians for liberating Bulgaria from Otto-man rule is a visual feast. It is an awe-inspiring edifice in with neo-Byzantine style with wondenful gilded domes visible from many higher parts of the dty.

Close by is St Sophia Church from which Sofia takes its name. The Basilica was built in the 6th-century, turned into a mosque in the 16th-century then abandoned after being severely damaged in an earthquake in the last century and subsequently restored.

Soviet visitors gaze in wonder at the statue of Tsan Alexander II of Russia in the heart of Sofia whom Bulgarians honour as their liberator from Turkish rule. He is still dea-cribed in Soviet schoolbooks as

the most evil of despots. The forerunner of Sofia wa the Roman settlement of Serdica, the archaelogical remains of which may be viewed at several points in the city centre. It is also worth the most comfortable in the area at the nearby Mount Vitosha, peering inside the central with tavern, discotheque, indoor Riding the No. 2 or 9 tram to market hall with its abundance

of meat and in the summer is a tin of zesty Bulgarian sheep cheese to use in salads.

From Sofia an excursion can easily be made to the beantifully situated Rila Monastery National Museum, the country's foremost architectural and his torical monument. The 10th century monstery which was destroyed in the 13th century and restored in the 19th, was a rallying point for Bulgarians throughout centuries of foreign Visitors to Bulgaria soon

discover that it offers a tourist exchange rate which is rather more realistic than the 100' Leva for \$100.70. Every-thing exchanged beyond the first \$100 is at the rate of Levas 181.26 to \$100.

Although visitors soon dis-

Sofie is an attractive city with much greenery and a good many handsome buildings from

MINERALIMPEX BI TA, 44. Kliment Obridski St. Sofia, Bulgaria Telex: 22136/22973 Telephone: 66 19 66

GLOBMARNI S.R.L. 99, Viale XX Settem Carrara, Italy P.O. Box 296 Telex: 590117 Telephone: (0585) 62122/62123



Intermodule A member of the six-man board of directors of Somat, Mr Valkanov has been in charge of introducing the company's new intermodule transport services. Every enter enterprise . in

Bulgaria follows the san rules of the new economic mechanism and aims to be financially "self-sustaining," he claims. But, because of the nature of Sonat, which is totally oriented to inter-national business-of which national business which 80 per cent is in the Westhe feels it has some advantages over other Bulgarian companies. "We are able to be more flexible in prices," he states

For relaxation Mr. Valkanov enjoys going to the theatre-his mother was in the opera in Ploydiv-and his sister and a brother-in-law are also musicians. He spends his onemonth heliday with his family —his wife is in charge of supplies for a secondary school—st the Black Sea, where he was born. He also has a cottage in the Rhodope monutains.

Leslie Colitt



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The company delivers and installs the facings as required.

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NEW YORK STOCK EXCHANGE 28-30 AMERICAN STOCK EXCHANGE 29-30 U.S. OVER-THE-COUNTER 30, 38 WORLD STOCK MARKETS 30 LONDON STUCK EXCHANGE 31-33 LINUT THUSTS 34-35 COMMODITIES 36 CURRENCIES 37 INTERNATIONAL CAPITAL MARKETS 38

VALKANO

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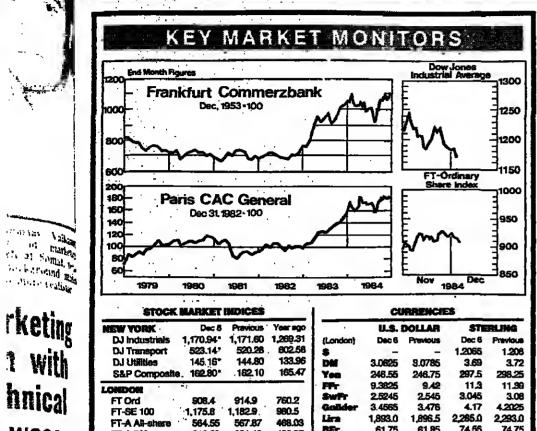
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### **SECTION III – INTERNATIONAL MARKETS FINANCIAL TIMES**

Friday December 7 1984

27 Switzerland's big three banks lead attractive Ecu issue, Page 38



	FT-A Ali-share	564.55	567.87	468.03
Wess	FT-A 500	616.58	621.43	499.87
	FT Gold mines	547.3	555.8	592.3
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### WALL STREET Uncertainty slow to subside

AN UNCERTAIN Wall Street stock market was awash yesterday with special situations involving several hlue chips, writes Terry Byland in New York Union Carhide shares plummeted in

beavy turnover as the stock market assessed the possible financial implications of the disaster at the company's plant in India.

Selling of Union Carbide stock intensified after discussion in the investment press of the potential financial responsibility of the company. Trading was delayed for half an hour on the New York Stock Exchange as dealers struggled to cope with a fresh wave of selling orders waiting for the market to open.

The first deal was a block of 1.1m shares traded at \$39, a fall of \$5% from overnight. A second block, 500,000 shares, was traded at the same price and a total of 4.2m shares changed hands he fore the price steadied to \$39% after the board said the group's financial structure was "not jeopardised."

Union Carbide's market capitalisation has tumbled by more than \$740m since the news of the tragedy, and Moody's Investors Services said yesterday it was considering downgrading Carbide's deht issues.

The rest of the industrial stock market was in better shape, helped hy a turn for the better in IBM stock, which regained \$1% to \$119. Also on a recovery trend was the car sector, where Chrysler gained \$1<sup>\*</sup>/<sub>4</sub> to \$28<sup>\*</sup>/<sub>4</sub> after announcing that it would buy in up to 25m shares, or about one fifth of its equity. General Motors added 5% to \$74%.

By midsession the Dow Jones industrial average, dragged down at first by Union Carbide, had reversed an early slide of nearly six points. The activity was mostly in blue chips and special situations, with the broad range of the market holding steady.

At 3pm the Dow was down 0.66 at 1,170.94.

Another high spot of the stock market was ITT which jumped \$1% to \$31% amid confusion over turnover totals. Mr Irwin Jacobs confirmed that he was buying IIT stock, saying he had been "in-volved" in a 2.4m block trade at \$30% reported by Jefferies, the third-market trading firm. ITT said it believed that Batterymarch Financial Management, an institutional stockholder, was the seller.

Credit markets began to weaken as traders awaited the latest money supply figures, due late in the session. The federal funds rate steadied to 9 per cent. after the Federal Reserve aided liquidity with \$1.5hn in customer repurchase ar-rangements when the funds stood at 81%s per cent.

Treasury bill rates edged higher, six-month hills adding 6 basis points to 8.63 per cent. In the bond market, prices sagged to show falls of up to 1%2, putting the key long bond at 101%2.

TOKYO

### Late flurry favours city banks

A LATE RALLY recouped early losses and sent share prices slightly higher in Tokyo yesterday; writes Shigeo

Cautioo against the recent rapid upswing dominated the market, though, with huying interest limited to low-

The Nikkei-Dow market average gained 16.65 to 11,559.84 on volume of 493.86 shares, down steeply from 655.31m on the previous day. Advances outnumbered declines hy 370 to 348,

The barometer had been drifting lower since the start of trading. It turned up marginally, however, after city hanks, among the 325 constitutents, rebounded

cord Y1.870, Fuji Bank Y60 to Y1.290, and Dai-ichi Kangyo Bank Y40 to Y1.300. Investors increased purchases of these issues as Japan's top nine city banks will become eligible for margin trading next Monday.

Nomura Securities remained popular, gaining Y35 to Y885. Recently selected non-life insurances, however, eased into a hull.

Low-priced stocks at under Y400 were bought in preference to speculative issues. Mitsui Toatsu topped the most ac-

Nippon Oil and Fats, the second bus-

ing a rights operation, picked up BFr 30 to BFr 2,105.

Stockholm extended its recent revival on turnover described as among the year's best. Gains of SKr 7 apiece took Alfa-Laval to SKr 203 and Sandvik to SKr 340.

Growing Milan volume brought advances led by industrial and insurance hlue chips as liquidity remained high, while Madrid continued its retreat, led this time by the property sector and resisted only hy food-related issues.

LONDON

### **Overseas** factors distract

A NUMBER of good trading results failed to excite another drab London market yesterday as transatlantic factors - in the shape of a hefty overnight fall nn Wall Street and persistant con-cern obout U.S. economic prospects distracted the attentioo of equity investors. The FT Ordinary index closed 6.5 down at 906.4.

Government securities, particularly index-linked issues, held up well, although conventional stocks fluctuated narrowly before finishing hi down on the

Banks were unsettled hy renewed suggestions of a possible rights issue from loyds which closed 8p down at 495p Chief price changes, Page 30, Details, Page 31; Share information service, pages 32-33.

### HONG KONG

SUBSTANTIAL selling pressure pushed Hong Kong lower during the last halfhour of trading with the Hang Seng index dropping 15.34 to 1,120.75. The technical consolidation was wide-

spread as Jardine Matheson fell 25 cents to HK\$8.30, Hongkong Land was 13 cents weaker at HK\$3.75. Even HK and Kowloon Wharf, which reported healthy profits growth, slipped 7 cents to HK\$4.65.

### AUSTRALIA

**RESOURCE** issues took the brunt of Sydney selling following weaker London metal prices and a surge in the U.S. dollar. The All Ordinaries index dropped 9.6 to 727.7 with the All Resources 10.3 veaker at 462.1.

Western Mining and Central Norse-

Nishiwaki of Jiji Press. priced, incentive-backed issues.

with 150 issues unchanged.

sharply just before the close. Sumitomo Bank soared Y100 to a re-

tive list with 36.42m shares changing hands, adding Y11 to Y203.

iest stock with 13.35m shares traded, jumped Y22 to Y455, bolstered hy its advance into the hiotechnology field. Toyojazo, however, lost Y10 to Y1,090 under profit-taking pressure and Asabi Chemical fell Y21 to Y640.

A swifter buying pace for Swiss BUYING of Swiss shares gained pace yesterday, extending the gains notched up without interruption through the

EUROPE

week and returning share values to lev-els not seeo since the first few trading days of this year. The extension of the Zurich advance came on a day when many other continental European centres were prone to profit-taking amid disappointment at

Wall Street's overnight ioahility to shake off its weaker trend, and when the neighbouring French market suffered a pronounced setback. Lively dealings took the Swiss Bank

Corporation general index of 90 issues 0.9 higher to 404.2, surpassiog the peak set on January 6.

The banking sector - which for many Europan hourses is beginning to draw brokers' recommendations, hased on the prospect of a plateau soon in deht provisions - drew somewhat hetter demand than the industrial side. Baer Holding jumped SwFr 125 to SwFr 7,150 while of the majors Swiss Bank itself put on SwFr 3 to SwFr 361.

Swiss Re reached the SwFr 6,000 level with a gain of SwFr 50, up SwFr 300 on the week so far, and a SwFr 400 surge in retailer Globus at SwFr 3,400 was attrihuted to a good pre-Christmas sales showing.

Chemicals and foods were dull, though, with Sandoz at SwFr 7,250 and

Belgium

Belgian SE

170-

60-

Banca Comm.	n/a	213.70	186.57	10% May 2015	89%	11.90	90	11.85
ANP-CBS Gen ANP-CBS Ind	177.5 140.7	178.9 141.7	147.8 119.8	Abbot Lab 11.80 Feb 2013 Alcos	96%	12.20	97%	12.15
NORWAY Oslo SE	277.96	279.57	. 205.75	12% Dec 2012	99 NCIAL	12.40	99% RES -	12.35
Straits Times	817.83	815.59	938.34	CHICAGO U.S. Tressury	Bonds (	High CIBIT)	Low	Prev
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GOL	D (per o	unce)		Dec	109-28	110-01	109-24	109-31
London		Dec 6 \$330.50	Prev \$330.75	COMMODITIES				
Zürich Paris (fixing)		329.85 330.86	\$330.75 \$331.32	(Londen) Silver (spot fibring		587.9	5p :	rav 585.25p
Luxembourg <sup>1</sup> New York (Dec)		330.65 330.50	\$330.60 \$330.10	Copper (cash) Coffee (Jan)		£1,006.5 £2,288.5	0 22,3	095.50 311.50
· Latoot svailablo figu	<b>F</b> 0			Oil (spot Arabian	Light)	\$27.77	5 5	27.775

8% May 2000

Diamond Shamrock

Federated Dept Stores

10% March 1993 93% 11.90

10% May 1993 92% 12.10

Xerox

76% 12.10

77%

12.05

93% 11.85

92% 12.05

Another reported block trade of 2m ITT shares at \$30% was later corrected by the New York Stock Exchange which said only 500,000 shares had been traded.

Another 2m Phillips Petroleum shares traded, with the price firmer at first but later \$% off at \$53, at which level the stock was suspended because of an im-balance of dealing orders. As expected, Phillips moved to block the hid from Mesa Petroleum by obtaining a tempor ary legal injunction. Meanwhile, Mr T. Boone Pickens said he expected to have the financing for his offer of \$60 a share by the weekend.

Following news of a long-awaited bid from Heileman, stock in Pabst, the brewer, added \$% to \$10%, against the \$11 bid terms.

Firestone Tire, at \$16%, added \$% after the profits statement, while fellow tyre maker B. F. Goodrich held unchanged at \$25% despite disclosure of a \$12m charge on fourth-quarter profits.

Blue chips eased on small-lot selling triggered by Wall Street's dull performance. Piooeer Electronic leaped Y80 to Y2,700, however, fuelled by foreign buying of about 1m shares.

Buy orders placed by foreign investors with Japan's hig four securities houses in early trading totalled 22m shares against sell orders for 24m shares.

Bond prices eased slightly in inactive ing profit taking pressure. The yield on the barometer 7.3 per cent government boods, maturing in December 1993, rose from Wednesday's 6.545 per cent to 6.570 per cent - the first rise in four trading days.

#### SINGAPORE

SMALL GAINS were achieved in late Singapore trading as the Straits Times industrial index rose 2.24 to 617.83.

Among active stocks, First A Corporation rose 5 cents to S\$2.55, Faber Merlin - the most active in the previous session -put on 1 cent to S\$1.36 and Sime Darhy advanced 3 cents to S\$1.87. Hotel, property and commodity issues

were marginally higher where traded.

quietly firmer.

Dec 31/963/100

1984

Jacohs Suchard at SwFr 6.150 each

SwFr 25 lower. Domestic bonds were

Oct

The bond market debacle spilled over into Paris stocks, which drew heavy sellman slipped 16 cents each to A\$2.88 and ing and left the Indicateur de Tendence A\$5.20 respectively, North Broken Hill 1.9 off at 119.8. Leading the way down was 14 cents off at A\$2 and CRA turned was Lesieur, reacting to a dip into loss 11 cents cheaper at A\$4.91. hy the oilseed group - at FFr 990 its fall on the day was FFr 139 or 12.3 per cent. **SOUTH AFRICA** 

Other sethacks included FFr 16 for Thomsoo-CSF at FFr 373, and FFr 9.60 in Peugeot on FFr 226, hut recently volatile Roussel-Uclaf managed a FFr 20 rise at FFr 1,625.

Frankfurt turned towards consolidation after the peaks set this week, and the Commerzhank index slipped hack below the 1,100 point with a 5.6 retreat to 1,097.2. Chemicals drew the most business, on expectations of lower raw material prices, but by the close Hoechst was just 30 pfg firmer at DM 186.60 and BASF had edged 50 pfg off to DM 176.50. A quiet Amsterdam reversal showed

disappointment with results from Philips, down FI 3.70 at FI 52.80, and insurer Aegon, off FI 3 to FI 136.50. Bonds tended easier.

Progress was managed in Brussels,

particularly by Société Générale which rose BFr 70 to BFr 1,670 amid good demand for its rights. GBL, also undertakA STATIC bullion price left most Johanneshurg gold shares unchanged to slightly mixed against a backdrop of Government plans to abolish tax advantages for mine mergers. Anglo American lost 10 cents at

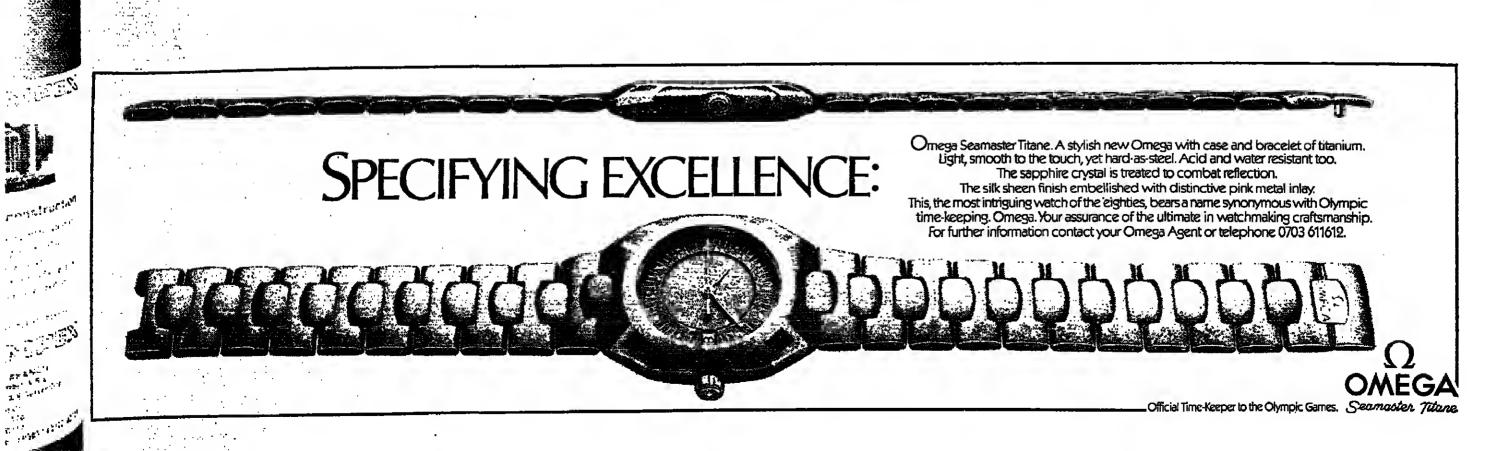
R23.90 prior to its denial that the proposed legislation would alter its plan to merge six Orange Free State mines into one unit. Free State Geduld, one of the mines affected, added 50 cents to R52.50.

#### CANADA

AN EXTENSION of the previous session's losses took most Toronto share sectors lower with some evidence of strength in golds and consumer products.

The decline in Montreal proved less acute.

An afternoon attempt at a rally, however, pulled prices off their worst in both centres.



28					Financial Times Friday December 7 1984
Prices at 3p	m, December 6	NEW YORK	STOCK EXCHA	NGE COMPOSITE	PRICES
12.9         7.4         Artome           42%         27%         Artome           125         112%         Artom           125         112%         Artom           8%         27%         Artom           36%         22%         Artom           314         22%         Artom <t< th=""><th>P/         Sis         Case MP           Giv: Yiel, E         1003 High Low         Low         Ease MP           48         25 16         31         105<!--</th--><th>12 Macma         P/ 5ts         Count         P/ 5ts         Count           12 Macma         P/ 5ts         Count         Env Tuil E         Status         Status&lt;</th><th></th><th>7 44 HRT 5 51 52 52 52 264 135 Laar</th><th><math display="block"> \begin{array}{c} \begin{array}{c} \begin{array}{c} \begin{array}{c} \begin{array}{c} \begin{array}{c} \begin{array}{c} \begin{array}{c}</math></th></th></t<>	P/         Sis         Case MP           Giv: Yiel, E         1003 High Low         Low         Ease MP           48         25 16         31         105 </th <th>12 Macma         P/ 5ts         Count         P/ 5ts         Count           12 Macma         P/ 5ts         Count         Env Tuil E         Status         Status&lt;</th> <th></th> <th>7 44 HRT 5 51 52 52 52 264 135 Laar</th> <th><math display="block"> \begin{array}{c} \begin{array}{c} \begin{array}{c} \begin{array}{c} \begin{array}{c} \begin{array}{c} \begin{array}{c} \begin{array}{c}</math></th>	12 Macma         P/ 5ts         Count         P/ 5ts         Count           12 Macma         P/ 5ts         Count         Env Tuil E         Status         Status<		7 44 HRT 5 51 52 52 52 264 135 Laar	$ \begin{array}{c} \begin{array}{c} \begin{array}{c} \begin{array}{c} \begin{array}{c} \begin{array}{c} \begin{array}{c} \begin{array}{c}$

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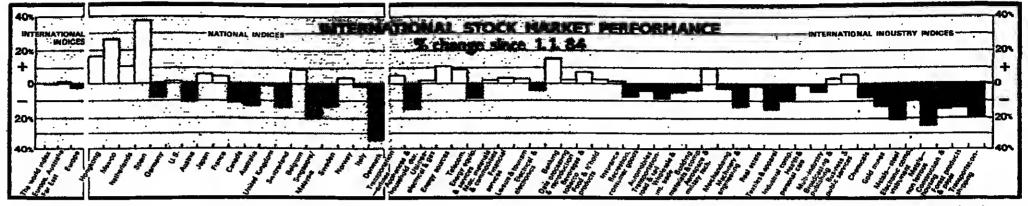
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### **SECTION IV** FINANCIAL TIMES SURVEY

# **International Fund Management**

Obstacles still remain but advances in technology are demolishing barriers to portfolio diversification and encouraging internationalisation of the world's capital markets



### **Increased** emphasis placed on taking a global view By BARRY RILEY

bonds is not in itself such a giant stride in international finance. It was as long ago as. 1803, after all, that Dutch investors bought the bonds

which financed the Louisiana But the internationalisation of the major world capital markets is now proceeding at a SCTOPDE

pace which promises to trans-form the scale of cross-frontier financing. Already the Euro-market has developed a bond market which knows no real national boundaries.

national boundaries. Now, albeit with teething troubles, multi-centre equity issues, are being launched. Reuters was floated last May simultaneously in London and New York, while British Tele-cism has been offered to inves-tors in the U.S., Canada, and Japan as well as the UK (and, on a modest scale, to Continen-tal European institutions too).

tal European institutions too). Much of the growth of international financing and invest-ment has to do with technologi-Instant communication with virtually all parts of on the shape of institutional

THAT U.S. Treasury officials the globe has removed much of portfolios. Accounting and dis-should hold readshows around the fear of investors that they closure requirements for com-Europe to sell U.S. Government might be left in ignorance while panies vary substantially — a panies vary substantially — a nettle which has been partly the locals protected their own positions.

And dealing and settlement has become quicker and more reliable even if there remain irritating national differences in systems, and there is a long way to go before the transac-tions side can catch up with the dated accounts). instant reactions of monitor

opportunities seriously — and there is keen watching of the Japanese scene, where liberalisa-Meanwhile, many of the underlying investments have also become international in tion could lead to much greater character. The growth of mul-tinational businesses has tinational businesses has required investors to adopt purchases of overseas equities by Japanese institutions, which are already major buyers of required investors to adopt something of the same aproach. Smith Kine may be American and Glazo British, but they trade in the same worldwide markets for drugs, and it has become increasingly unrealistic for investors the place them in dollar bonds. In the past, the pioneers of international investment have tended to be investors in small

for investors to place them in separate compartments. of course, formidable obstacles still remain, Foreign range of choice limited. exchange controls persist in many countries, or other more available to them, are sending abroad sums which may still be modest in a domestic context subtle barriers to overseas nt, such as restrictions

in a number of overseas

Thus U.S. pension plans are estimated to have something like \$15bn invested in foreign equities. The major single peropportunity has been to invest in Japanese growth stocks. But increasing numbers of pension plans are taking a broad view of global opportunities, infinenced by the ERISA legislation which enrourages

trustees to diversify their port-folios as far as reasonably posd in Japan, but hardly American financial theorists all in several Continental Eurohave convinced many pension

pean coustries (though It is sponsors that interplan notable that a company like Fiat has begun to publish consolinational investment can contribute to a more favourable riskreturn ratio. But despite the obstacles. Recent results of this over-

even the traditionally inward-looking investors of the U.S. are beginning to take overseas seas exposure have not been particularly favourable for U.S. funds. The strength of the U.S. dollar has masked the underlying local currency gains in many markets worldwide,

WM Computer Services of Edinburgh (now split off from its former parent, stockbrokers Wood Mackenzie) monitors the performance of some 80 international portfolios geared to non-U.S. markets. In the four years to end-Seplember 1984, these have achieved an overall countries like Switzerland or the Netherlands, where local markets have been small and the return in dollar lerms on equities of 7.7 per cent on an an-nualised basis-against 12.9 per cent on the Standard and Poors Now, even the Americans, with all the domestic choice 500 Index.

abroad sums which may still be The Far East, especially Japan, modest in a domestic context has performed well over the but are making a big impact period, but Europe bas been Now Robert Fleming, through eminence. Union Bank of the field.

poor. Much the same bas been its Far Eastern joint operation Switzerland has agreed to buy Phillips and Drew, the leading London brokerage house—which Jardine Fleming, is forging an advisory link with Yasuda Trust true on a shorter, one-year view. But, of course, many regard and Banking. Initially the arrangements will be focused arrangement wil be focused oo domestic Japanese funds but it might lead on to management has a fund management offshoot managing some £4bn. the recent levels of the dollar as being unrealistic, and a pro-longed spell of dollar weakness The commitment of British authorities to the inter-nationalisation of London is could greatly increase the bece-fits of international exposure for of overseas money for Japanese crucial lo such developments. domestic clieots-a market which many managers are hop-iog to flod a way of getting into. At any rate, U.S. pensioo plans appear to be maiotaining their enthusiasm for overseas The Government has agreed to the reduction of stamp duty, a

securities transaction tax, and bas been flexible in developing Yet meantime a puil between a fiscal framework for the finan-East and West is leading to the cial futures and traded options break-up of Henderson Baring Management, a partnership between Baring Brothers, the markets. And most crucially, the Government bas pushed the London merchant bank, and Henderson Administration London Stock Exchange into Group, the portfolio manage-ment specialists. Currently, HBM is managing £1.4bn of Far dropping maoy of its barriers to overseas participation. Membership rules are to be drastic-ally revamped, and the markel

Eastern investments. is to adopt trading methods closely modelled on the com-puterized NASDAQ system of Henderson waots to compete for the international business of U.S. pension plans, but is required under U.S. regulations the National Association of split away from Baring Securities Dealers in the U.S. which is already active in the Several foreign-owned securi-ties houses are likely to be ERISA field. Henderson will now set up its own Far East granted licences by the Bank of Englaod to become marketmanagement capability.

London has a number of makers in the new-style giltadvantages as a centre for management of international edged market. Applications are to be invited early next year, portfolios. Apart from a long history as an international centre, and a reputation for ethical dealing, it is well-placed and the new structure-similar to that effective in the U.S. Treasury Bond market—could become operational some time in 1986. to become a time zone centre, falliog neatly between the Far

This is the kind of step which is gradually turning the multi-East and the U.S. There have been recent signs tude of national securities markets into an international that other European financial Institutions are coming to terms network. It will be a slow pro-cess, and while It is encouraged

by favourable conditions of the kind which have been seen in the past few years, future bear markets and financial crises are bound to lead to periods, of retrenchment.

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the But the inevitable march of technology is demolishing barriers and encouraging to-day's portfolio manager to treat the whole world as his market.

#### CONTENTS

Fund Managers: Develop ment of the cross border Multi-dimensional approach required U.S. Pension Funds: Pace International Flows: A re-comes to the fore ...... 6 Diversification: Overseas weighting to climb ...... 6 Bonds: A year of mixed blessings Property: U.S. still lops the tronics exploit markets in ever more subtie ways ... 8 

is some shuffling of investment advisers going on as trustees assess results extending over several years and come to conclusions about which managers are achieving their pro-mised performance goals aod which are not. London managers have been particular beneficiarles of the internationalisation of U.S. institutional investment. American money managers have geoeratly been slow to embark on global commitments, with a few exceptions such as Morgan Guaranty, Fidelity and Canital Guardian-and even they have

fuod managers report that there

American funds.

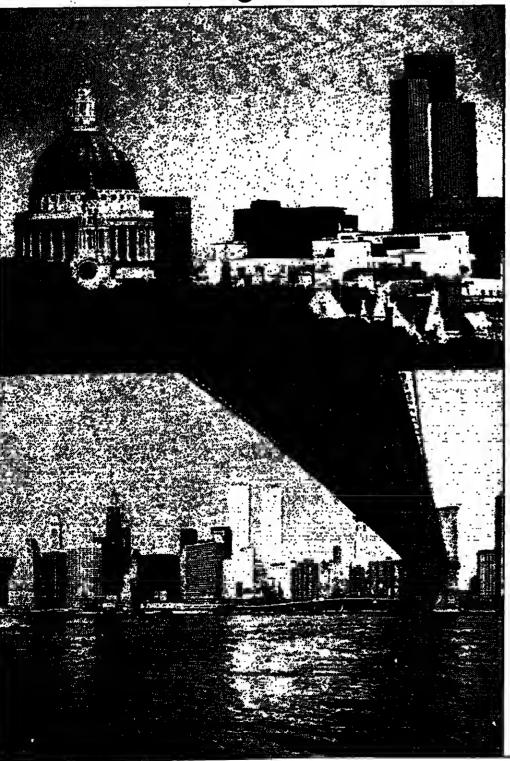
investment-though

relied beavily on London branch offices. British merchant banks Hite Morgan Grenfell god **Raring Brothers have seized** their opportunities, sometimes through partnerships such as Rowe Price Fleming, an alliance hetween T. Rowe Price of Bos-ton and Robert Fleming of Loodon. Independent fund

maoagers such as GT Management have also been active in

to

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Financial Times Friday December 7 1984

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### **International Fund Management 2**

### **Cross-border** phenomenon

International **Fund Managers** BARRY RILEY

SUCCESS these days in inter-national investment management is not just a question of achieving good portfolio per-formance. It also depends very much on the ability of the fund management organisation to market itself to international clients. The traditional emphasis of

The traditional emphasis of internationally oriented funds has been to collect moncy domestically and spread it around attractive overseas opportunities. This was the pattern with the Scottish invest-ment trusts in the last century, for instance, and the Swiss banks have also thrived on the "recultrements of the wealthy requirements of the wealthy middle classes io a small country where domestic oppor-tunities have been relatively

restricted. The new phenomenon, how-ever, is that iovestors even in major economies - the most notable example being the U.S. -are also becoming ready to put their money outside their own borders. Even the Japanese are moving in this direction, the country having become a major exporter of capital, though the Japanese markets contioue to be tightly hedged

around with controls. There has thus arises the opportunity for international investment expertise itself to be sold internationally. The big banks, with their global branch networks, have been the best placed to establish this trend. Morgan Guaraoty, for instance, was a pioneer some years ago io shifting U.S. pension plan money to London to be managed hy its ioternational division. But now, a great many much smaller operators

Coast bank Security Pacific to take a roughly one-third stake seem to prosper on minimal in its equity. The idea is that resources). the U.S. bank will now channel The big money continues to sizeable volume'a of American be placed with the major banks clients' money to London to be which have clear experience managed globally by its British and depth of resources.



The two have set up a joint Loodon company to which the Japanese bank will refer busitop fund managers can be a problem. These blg banks usually have a rather highly structured style of operation—a "top down" approach in which individual fund managers have to fit in ness from its overseas branches (though Japanese rules prevent it from transacting investment business for its domestic custowith quite rigid strategic deci-sions, made by a high-level And various independent fund management firms, mostly American or British, are send-

committee. This means that the exposure ing their marketing men out on expensive trips to garner busito various markets, currencies and industry sectors, would be iaid down, leaving only a limited area + f choice in stock selection.

ness, particularly from the diversifying U.S. pension plans, This will restrict the scopa for sparkling performance, but will also reduce the risks. The extreme case of such an approach would be formal global indexation, representing Their task is made a little easier by the appearance of specialist intermediaries such as Frank Russell and InterSec Research, one of whose roles is to advise clients on the choice an attempt to match the per-formance of a world index by investing proportionately in a large number of high-capitalisa-tion stocks. But there are a number of of specialist managers. The treod in U.S. domestic fund

independent fund management companies which offer much more individual styles. They include GT Management and lyory and Sime in the UK and Fidelity and Capital Group of the U.S. Such managers seek to acbieve above-average per-formance though they also charge comparatively high fees. Fee levels, incidentally, are Fee levels, incidentally, are something of a bone of conten-tion for the independents, who claim that they are unfairly undercut by the banks. The suggestion is that although the banks' direct fees appear to be low, the banks make a variety of either charges through the of other charges through the back door, in everything from

The independents usually have a distinctive view on how to approach global management. Some, like GT, have a string of local branches around the world—while Ivory and Sime prefers its people to operate out of one office, so that the style of the house can be kept under closer control.

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New markets MAGOV 1 ----

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Funda

Some are heavy users of Some are heavy users of brokers' research material but Capital Group, which runs global funds through Capital International, insists on con-ducting its own expensive research at the corporate level, on the view that consistent long-term performance is likely to be achieved only by those who refuse to run with the herd. Meanwhile there are many

Meanwhile, there are many variations on the theme of international management tech-niques. Some managers like simply to search out the best companies, wherever they may be others prefer to work on be; others prefer to work on an industry basis, developing

an industry basis, develoning expertise in sectors such as high technology or energy; and still others are structured on a geo-graphical basis, aiming to make money out of market timing or even swings in currency exposure, as well as stock selection.

#### **Imperfect** guide

Various performance measure ment services are being developed on an international basis, and the results of these will clearly have an important influence on the decisions of clients when they hire and fire managers. But historical per-formance can only be an imperfect guide to the results that might be achieved in the future.

Much will depend on the con-tinuity of management that can be achieved. With the rapid pace of developments in inter-national fund management, personnel turnover tends to be rapid. The smaller indepen-dents are theoretically more vulnerable, but in practice can often achieve stability through often achieve stability through personal shareholding arrange-

ments for key managers. Another key question con-cerns the attitude of clients to the kind of broadly based inter-national financial services congiomerates that are being created. They are designed to pull in business through inter-national marketing networks, But they will have to satisfy clients that their interests will not be compromised by conflicts between the various arms of such wide-ranging groups.

By Stefan Wagstyl



treed in U.S. domestic fund management has been towards the division of large portfolios between managers with differ-ent styles, and applied on the international scene this gives outle small boutiques the chance to make their pitch. are making an impact. Thus the relatively modestly sized London fund manage-meot business John Govett, based on investment trusts, has arranged for the U.S. West Of course, a firm consisting of just two or three partners will find it hard to convince polen-tial clients that it can success-fully cover the world's markets (though several British unit trusts with global portfolios seem to prosper on minimal

mers). And

Intermediaries

inflated currency dealing costs to unnecessarily high custodian-

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FIDELITY INTERNATIONAL thinks of ibelf as one of the most international of investment management groups.

Launched as the inter-national arm of FMR (Fidelity Management and Research, the largest inde-pendent mntual fund com-pany in the U.S., it started life in 1968, managing offshore funds in Bermuda. A year later it became the

first fund manager to open an office in Japan, followed by omce in Japan, followen by once in Hoog Kong. The group is a recent arrival in London —it launched its first UK unit trusts in 1979 and began managing British pension funds in 1982. The last five years have seen articulary would structly

seen particularly rapid growth at Fidelity International: funds under management have leapt from \$490m in 1979 to \$2.3hn at the end of last year, divided between U.S. pension funds (35 per cent), other institutional funds (29 per cent), offshore funds (27 per cent and unit trusts (9 per cent).

But Mr James Tonner, managing director of Fidelity's London subsidiary, says that this expansion has been carefully controlled. Fidelity ensured that growth in assets did not outpace growth in staff, now number-ing 230 worldwide. ing 230 worldwide.

But Mr James Tonner

In Fidelity's view, three elements lie at the beart of its continuing development and distinguish it from many other investment management groups.

First, tha group is very proud of its independence. It is separate from Bostonbased FMR which spawned it, although the founding Johnson fanily retain controlling stakes in each concern. The remaining equity of Fidelity International is in the hands of managers like Mr Tonner.

Independence means that the group is free to concen-trate on its investment management role, without the need to conform to the wishes of a larger organisation. "We hava no ambition to become

This requires a sophisti-

a bank, merchant hank or insurance company. We are investment managers and nothing else," says Mr Tonner. The second distinguishing element of Fidelity Inter-national is its emphasis on decentralisation, with offices staffed by nationals of the country in which they are located. Expatriates are sent abroad only to Hong Kong. Choosing shares is the responsibility of the local office—so a UK pension fund would have, in addition to a

would have, in addition to a UK team, managers in the U.S., Tokyo and Hong Kong, Mr Tonner says that in this way Fidelity is much more sensitive to the peculiarities of each market. The third theme of Fidelity's development has been its deliberate specialisa-tion in equity management. It

tion in equity management. It believes that its particular skills lie in stock selection, relying both on fundamental and technical (chart) analysis and on visits to over 2,500 companies a year, world wide. Fixed-interest investments

piay a very small role in pen-sion fund management. The group says it is after longterm growth in assets and in dividends to match the long-term liabilities of the funds it manages. And it is pre-pared to stick its neck ont, taking large positions if it be-lieves in a particular market or stock.

Fidelity does have an eye for the eventual opening np of the management of Japan-ese fands by foreign investment groups. But it sees its immediate future in the U.S. and the UK, where its pen-sion fund clients include General Electric (U.S.), IBM, and Tate and Lyle.

The growing desires of U.S. funds to look overseas must clearly offer tempting pros peets to Fidelity. U.S. pension funds invest only 5 to 10 per cent of the monics abroadcompared with 20 per cent for British funds. But the propor-tion has grown rapidly from only 1 to 2 per cent five years

### Multi dimensional approach required

### Performance Measurement ERIC SHORT

THE measurement of the per-formance of funds has assumed investment managers. an important central role in the international investment scenc. Nowhere is this development cated approach to performance measurement, breaking down the overall return into its component parts and analysing the returns of each part. It means analysing how the happening more rapidly or radically than in the field of pension fund investment. With exacting demands being imposed on investment managers those organisations

providing pension fund perfor-mance services are now producing detailed in-depth analy-sis of performance of funds in order to quantify and explain the actual performance and achievements of investment managers.

It is no longer sufficient to adopt a one dimensional approach to performance measurement, simply calculat-ing the overall mean time/ ment weighted rate of return for the whole fund. A multi-dimen-stocal approach to performance measurement is required 10

meet the current demands not only of employers, but of the investment managers themselves. The aim of performance

measurement, as far as pension funds are concerned, is not just

Not only is there the risk ance Services) mainly because crude. The Unit associated with investing in an equity or property market that Computer Services prefers to cated methods. to show whether the fund is meeting its primary target of

ments

out-performing inflation by an adequate margin, or even beat-ing the indices. It is to provide enough data to enable trustees to understand what perform-ance means, what has been achieved, and to portray in figures and words the style of investment managers. prices and values can fall and dividends and rental income be curtailed. There is the added analyse individual funds against tha aggregate, using the over-all experience as an index. The fund managers them-actives are making increasing use of performance measure-ment service. Both WM Compurisk of currency movements, exchange rate fluctuations, and the political risk of not being able to repatriate assets or even the ultimate loss of the ter Services and CAPS offer two services—one to trustees, the assets.

So the measurement of performance ought to incorporate a risk factor in the analysis, though there are differences of opinion on how this is done. WM Computer Services, the

means analysing how the returns arose — the effect of stock and sector selection and the effect of timing of investleading firm providing perform-ance measurement, adopts the approach of showing the range of returns for the various investment sectors for all the funds it analyses. By looking at the range the client can assess the risk. This is accom-panled by an explanation of the The internationalisation of in-vestments, with fund managers now investing a substantial part of their assets overseas, even though the liabilities are still results which would refer to wholly in the UK, has added

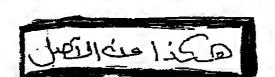
risk. The second major feature in analysing overseas investment performance lies in the lack of suitable indices for measuring new dimensions to performance measurement and introduced fresh problems to those special-ising in performance measureperformance on a worldwlde basis. The only index available is the Capital International The first feature in this new area la that overseas invest-ment has highlighted the im-World Index, which integrates the movement of 18 stock mar-kets, including the UK, with portance of risk as a major factor in investment. Risk has respective currency changes against the U.S. dollar in proalways been present even when managers invested solely in the UK. But its appreciation beducing a single index figure. comes essential in overseas investment. This index is used by CAPS (Combined Actuarial Perform-

services—one to trustees, the other to investment managers. They regard this as the ultimate independent measure of how managers are performing and it enables them to identify suc-cesses and mistakes. But very few funds publish comprehensive performance figures in reports to members It is usually just the overall re-turn. Ona exception is Cour-taukis whis: does provide such

formance is very good. But having started tha practice, the fund managers will have to con-tinue, whatever the future performance.

However, performance mea-surement is not confined to pension funds. Stockbrokers Wood Mackenzie have brought about a very sophisticated analysia of investment trust performance for the Association of Investment Trust Companies, which analyses the various com-ponents and performance of managers.

This makes the unit trust performance measurements based on unit prices somewhat crude. The Unit Trust Association is looking at more sophisti-



### **International Fund Management 3**

# Pace of overseas investment guickens

**U.S.** Pension Funds

TERRY BYLAND

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THE RATE of increase in the overseas investment by the U.S. pension industry has gathered pace rapidly over the past 18 months, spurred on by funda-mental investment factors as anderd by the end of this year, which would indicate a rate of growth of about 51 per cent. Well before the end of the decade, the total is likely to rise to around \$40bn, which would make up ebout 4 per cent of total ERISA assets. well as the continuing effects of the Employee Retirement Income Securities Act (ERISA) now a decade old.

funds are raising their sights for overseas investment, a trend The renewed surge in the U.S. dollar during 1984, which could change the overall picture dramatically. The aver-age commitment of corporate funds overseas has now com-U.S. dollar during 1984, together with e wider con-sciousness in the U.S. financial community of investment oppor-tunities in foreign stock managers and trustees to widen their approach to securities in-vestment. The original ERISA requirement for funds to "diversify" has long been supfortably achieved the 5 per cent target put forward, somewhat hesitantiy in the days after ERISA was born. The most recent surveys of corporate atti-tudes suggests that funds ere "diversify," has long been sup-ported by solid investment now expecting to put 10 per cent of their aggregate into nonported

U.S. investments within three The steady growth in funds or four years. looking for overseas investment has inevitably increased the number of money managers seeking a share of the business. The attraction for pension fund managers of increasing commitments overseas has been seeking a share of the business. But the newcomers are not find-ing it easy to break in—the latest statistics compiled by Intersec Research, the Connecticut-based consultants on international diversification in the pension industry, indicate that the "20-80 rule" is still in in place—that is to say that 20 per cent of the managers still only too clear over the past 18 only too clear over the past 18 months, which bave seen diffi-cult and sometimes traumatic times on the U.S. markets. The majority — 80 per cent at end 1983 — of ERISA overseas assets are in equities, where the contrast between Wall Street and other world markets per cent of the managers still manage 80 per cent of the

Growth in overseas ERISA assets is now ontstripping pre-vious forecasts by a wide mar-gin. At mid-year 1984, \$15bn in U.S. pension funds were invested overseas, already an increase of \$3bn since the pre-vious year end Intersec expects a further \$3bn to be added by the end of this year.

Moreover. individual pension

Traumatic times

A reversal of trends

same currency.

Index.

invested in equities.

overseas markets.

and its course indicates that amateurs need not apply. A

has been painful on occasions, the net, there will be increasing services for moving money ERISA fund managers have need for fund managers to around the world, collecting been spared the worst misforspecialise.

tunes of other U.S. fund man- Of the 80 or so investment agers. Mutual funds, for advisers competing for the over-Of the 80 or so investment example have largely underper- seas ERISA funds, Morgan formed against the Standard Guaranty still leads the field, Poor's indices since the second- with its total of \$2.2bn of with its total of \$2.2bn of American funds managed outbelf of last year. Only those American funds managed out-mutual funds specialising in side the country standing at overseas markets have suc- well over double those of its overseas markets have such wen over double those of his ceeded in beating the trend. nearest rival. But the list of Most of the 75 U.S. institu-tional portfolios included in that the UK challengers have Intersec's Non-U.S. Interna- increased their grip over the tional Equity Universe managed past two years.

to top the performance of the Standard Poor's 500 Stock Index in 1983, and most also beat the composite Europe, Australia, Far East (EAFE) Schroder Capital Management International, with \$300m, Kleinwort Benson International Investments with \$312m, and Morgan Grenfell with \$802,2m On the other hand, ERISA

Morgan Greanfell with \$602.2m have all significantly increased their ERISA assets The experience and proven track records in cross-frontier investment of the UK managers marked them as natural beneficiaries when ERISA first opened the door for U.S. pension funds to place assets outside the U.S. The strong gains recorded by UK managers already in place as ERISA funds may have missed out on the strength of the U.S. bond markets, partly because over-seas investments have been heavily concentrated in equities. At end-1983, 80 per cent of ERISA overseas assets were The tussle for the lucrative business of managing the bur-geoming overseas assets of the pension funds continues apace, already in place as ERISA managers contrasts with another significant trend which disclosed itself last year.

Lower proportion

growing portion of these assets For the first time for several are now offered for manage-ment to international investyears, 1983 saw managers with head offices outside the U.S. representing a slightly lower proportion of the total. As more ERISA funds are drawn into overseas investment, it is ment specialists as opposed to general managers claiming expertise in both domestic and Several such appointments clear that an office in the U.S. is were made by funds turning for becoming an increasing the first time to overseas opporadvantage. tunitles, indicating that as more pension funds are drawn into

But also significant is the growth in joint-venture manage-ments, which rose from eight to 10 last year. The increasing costs involved in establishing a credible presence in this highly competitive marketplace sug-gest that joint ventures will continue to increase. Managers one, the largest slices are likely able to offer the stock market to end on the plates of the most

INVESTMENT

MANAGEMENT

dividends, and 14e like, which are often of primary importance to the fund trustee. Inability to provide the visible funds on the due date is dis-

couraging for the fund which has only inst ventured abroad for the first time. But the current totals of actively operating fund managers should not be taken entirely at their face value, since there is undoubtedly e growing list of managers seeking, or actively preparing entry to the field. Many of these prospective managers are held back by their awareness of the beavy, and expensive competition for new business. Managers have to offer e significant presence in the U.S. if they are to attract the confidence of fund trustees. The six new managers appointed last year were evenly divided between those with investment functions in the U.S.

and those with the same facili-ties overseas. And, there is another side to the coin. Some managers have withdrawn, or decreased their presence in the business. Last year saw Robeco International Investment advisers shed the \$70m in ERISA assets formerly managed. Ivory Sime. of Edinburgh witnessed a 35 per cent cut in its ERISA portfolio. Management of ERISA over-seas funds now appears to have established their as e permanent and specialised area of management. There is little doubt that assets growth is in for several more years of sub-stantial improvement, although

a reversal of the dollar's strength could check the pace. The U.S. managers, headed no doubt by Morgan Guaranty, will continue to fight hard to reduce the management share held by their non-U.S. competitors. While the cake may be a big

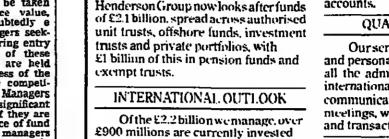
SECURITIES

DEALING

MERGERS AND

ACQUISITIONS

expertise are often unable to competitiv provide the mundane banking managers. competitive and



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Π

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INVESTMENT

MANAGEMENT

We managed just 2 pension funds in 1977.



IN THE world of international show a remarkable reversal, investment flows, it goes without Since the last quarter of 1982-seying these days that the over-whelming influence is the U.S. ket on Wall Street—overseas As the soaring dollar testifies, investment by UK institutions wherming initiate is the U.S. As the soaring dollar testifies, money is pumping into America, to fill the yawning gap of the Federal budget deficit and to take advantage of the high in-terest rates of which the deficit is at least partly the cause.

However, as the U.S. Treasury statistics make clear; portfolio statistics make clear; portfolio The trend in foreign bond investment is at present a de-clining part of the inflow. In marked, if only because the UK the first half of this year, foreign purchases of Treasury bonds and notes totalled e net \$3.9bn —a far cry from the full war the higher returns available

been making up for lost time in grand style, with investment in overseas equities exceeding UK equity investment in each of the years 1981-83. Logically, however, there bad to be limits to this, if only in terms of match-ing assets and liabilities in the

Recent figures to mid-1984 trend upwards. had shown a gradual decline, as funds had approached their tar-

gets for overseas exposure. But in the second quarter of this year, there was for the first time net \$151m into foreign equities; in 1983, \$626m. But in the first balf of this year, the total has been a mere \$19m net, and in August there was befty net sell-ing of \$122m. e net sale of overseas equitics, to the tune of £748m. The trend in foreign bond

Level best

As to bonds, though, it looks as if Japanese investors bave

25 .

in the current year. with the halfway total at \$2.2bn and the apparently continuing

sales of \$4.8bn, But the latest showed a recovery, with pur-chases totalling e net \$363m. On the fixed interest side, the trend has been steadier. Against a total \$4.9bn of overseas pur-chases of Japanese bonds in 1982, the 1983 figure was \$2.1bn. But recovery is already evident

As to overseas investment from Japan, the picture in equi-ties bas been similarly mixed. In 1982, Japanese investors put a

SECS 1.100 

# The second

-a far cry from the full-year the higher returns available figure of \$17.3bn in 1982; and through skilful stock-picking in in June, foreigners sold a net the U.S. equity market in 1969 \$49m.

and notes totalled a net \$3.9bn —a far cry from the full-year figure of \$17.3bn in 1982; and in June, foreigners sold a net \$49m. More pronounced On the U.S. equity side, the decline is a good deal more pronouced. In 1983, foreign purchases accounted for a net \$5.4bn; but in the first half of this year, the figure was a mere \$79m, with the last two months of the period producing net sales of \$0.8bn. On this side of the Atlantic, it is clear thet UK investors are yestment in general. Since the removal of exchange controla in 1979, the UK: institutions had



# The round the clock future

### **New markets**

MAGGIE URRY

big see is that of a UK fund manager manager manager who express the expects the exploration of the fundament of a box of the fundament of the fundament of a box of the fundament of the fundament of the fundament of the fundament of a box of the fundament of the fundament of a box of the fundament of the fundament of a box of the fundament of a box of the fundament o

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bond, and equity portfolios both domestic and international. A used to isolete part of e risk— simple example of these mar-for instance e UK portfolio manager who expects the equity market to fall, say, 10 per cent capital gain there, could be but who does not want the trouble and expense of selling shares only to buy them back.

Which one would you ask to manage your pension fund investments?

Fidelity International is an independent private company.

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And it means that the energies of senior management are used to fulfil only one aim - to improve the performance of your fund.

We are very decentralised, too, with investment offices in London, New York, Boston, Tokyo and

Hong Kong. These are staffed entirely by local nationals with local knowledge, giving us substantial advantages when it comes to interpreting local trends.

These are some of the reasons why we already manage pension funds of over £750m for some of the best known companies in the UK and the United States

If you feel the retirement benefits of your employees deserve management by an independen group dedicated solely to investment management contact Mark Tennant or Neil Curtis on 01-283 7411. Fidelity International Investment Advisors (UK) Ltd,

26 Lovat Lane, London EC3R 8LL



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**International Fund Management 4** 

R. Layton (merger)\*

Also the rapid expansion of

high-tech companies, which have shot up almost overnight,

is encouraging investors to par-ticipate in the "sunrise" in-dustries. There is also a greater awareness among the latest

generation of entrepreneurs that they have to give away

Finally the advent of the Unlisted Securities Market and the miriad of over-the-counter markets established by licensed

dealers has given investors an easy exit route from a success-ful company in a few years time. That is perhaps the most important point of all — for

Institutions the ultimate reward of venture capital is to cash in on some healthy capital profits.

some equity to raise money.

# Taking the risk in search for rich rewards

failure are already being nlanted by the rather passive involvement of British inves-tors. But unlike the U.S., the

British market is vet to ex-perience any great shake-out in

venture investments and euphoria still abounds, Callous

it may seem, but few failures many encourage a closer ln-

volvement with future invest-

And failures there will most certainly be. True venture capital investment must logic-ally relate to young companies

or start-ups, no matter what some investors are arguing. In

ments.

Purchaser

Scott Goff Hancock

close monitoring.

Undoubtedly some of the recent entrants into the venture

capital game are hoping for a better survival rate than that,

but to achieve it they may have to concentrate on development

capital rather than riskier venture capital.

Nevertheless for the present the venture capital industry (taking a fairly loose defini-tion) is booming, Exactly why this should be is not obvious though a number of features are clear. The attitude of Government towards developing businesses has been a sour and

### Venture capital

TERRY GARRETT

VENTURE capital has become one of the buzz phrases of the financial community in the last few years. Where there were just a handfui of financial institutions specialising in risk investment for young growing companies in the late seven-ties, today there are around up a dozen times a year. investor should have a da of knowledge at his disposi become closely involved in day to day running of the t ness. This may, of course, m ties, today there are around 100 sources of capital for the entrepreneur.

But it is atill a problem to define venture capital. Unfortunately, the phrase seems to mean all things to all men and has become so widely used as to cover virtually every equity investment othar than a public offering of shares.

Americans, who often claim to Americans, woo orten claim to have nurtured the whole ven-ture capital concept from its ambryo stage, generally argue that any investment made at any stage in a company's develop-ment prior to a public listing could qualify as venture capital. The criteria is not when the investment is made but whether or not the ultimate ambition is capital growth—that and the amount of involvement hy the investor. The American concept favours a close involvement on the part of the investor in the general running of the husiness.

In the UK, venture capital has been used to describe an has been used to describe an those circumstances some equally wide range of invest- failures are inevitable, ments from management buy-outs to pure start-up situations, than anyone in the country and equally whoe range of invest-ments from management buy-outs to pure start-up situations. The main difference hetween the UK and U.S. is that the The main difference hetween the UK and U.S. is that the British venture capitalists tend to be offshoots of institutions or tailure rate of one in every capital funds outside of the

	LEIG PROE	1 HI CHASET	Date	Deal	
	LILE FISK	Security Pacific Bank	June 1982	Hoare Govett 29.9 per cent £8.1m*	Skandie
		-	July 1984	Security Pacific indicates that it will raise stake	Gninness Mahon
earch			April 1984	to 80-90 per cent valuing Hoare at £75m Charles Pulley 5 per cent†	Banque Bruxelles Lambert and Pargesa
U	aith				Refnge Assurance
		RIT and Northern (Charterbouse J. Bothschild)	November 1982 November 1983 April 1984	Kiicat and Aitken 29.9 per cent £0.5m* Charterhouse Group (merger)‡ Hambro Life 24.9 per cent—£126m‡	Baring Brothers
	MONTOTAL		June 1984	Joint venture with Nikko Securities <sup>‡</sup>	Exco International
	rewards				Granville and Co
		Citicorp	November 1983	Vickers da Costa 29.9 per cent plus 80 per cent	Hill Samnel
			September 1984	of Far Eastern operations—£20m* Merged Vickers da Costa and Scrimgeour Kemp	
	banks with a more dist		achtemoer 1904	Gee-29.9 per cent*	Kleinwort Benson
	"hands off " approach, leav	-			
	the directors to run their a companies.	Bicically becameres	November 1983	Akroyd and Smithers 29.9 per cent—£41m† Rowe and Pitman Mullens*	Sbearson Lehman-American
	In theory, the Ameri	can (S. G. Warburg)	August 1984	Rowe and Filman mullens	Express
_	purists would claim, a vent capitalist should be able to p vide a company with a gr	TO Investment Trust	November 1983	Wishart and Brodie 10 per ceot*	Grindlays Holdings (part of Anstralia and NZ Bankg Gp)
	deal more than a simple c	ash N. M. Rothschild	December 1983	Smith Bros 29.9 per cent-£6.5m†	Laucashire and Yorkshire
•	investment backed with a n	OP Chatter Concolldated	January 1984	Rowe and Pitman 29.9 per cent for £16.2m*	Investment Company
t	executive board member turn up a dozen times a year.	The National Westminster Bank	February 1984	Bisgood Bisbop 29.9 per cent. Deal values Bisgood	Hongkong Bank
i	investor should have a day	oth		at £18.6m†	
k	of knowledge at his disposal	to	July 1984	Fielding, Newson-Smith-29.9 per cent*	
g	become closely involved in day to day running of the bu	the Mercautile House	February 1984 May 1984	Alexanders Discount £29m <sup>‡</sup>	Dow Scandla
н Л	ness. This may, of course, me	tan	May 1904	Laing and Cruicksbank 29.9 per cent £7.5m* and Jessel, Toynbee and Gillett estimated £21mt	Union Bank of Switzerland
e	changing the investor's rep	re- Rarelays Bank	March 1984	de Zoete and Bevan-5 per cent* and Wedd	Chase Manhattan
	sentative at the compa- through its various stages of			Durlacher Mordaunt-29.9 per cent at £30m†	Key: * Stockbrokers:
2	velopment.	Samuei Montagu	March 1984	W. Greeowell—29.9 per cent*	
L. P	In the UK a surprising nu	Im. Hambros	Marcb 1984	Strauss Turnbuil-29.9 per cent*	July 1984
ĭ	ber of venture capitalists cla	im Britannia Arrew	April 1984	Singer and Friedlander 87.5 per cent-£52mt	Prudential Bache Securities of
	to adopt a "hand-on" approa But in reality the number to		April 1984	Pinchin Denny-29.9 per centi	Duckett, a UK stockhroker in the end of July.
	could live up to the Americ		May 1984	Target Group 19.9 per cent £10.4m‡	August 1984
	description is probably v	ery	October 1984	Pember and Boyle-5 per cent*	Schroders holds 29.9 per cer
	limited. Possibly the seeds	01	November 1984	4.99 per cent stake in Morgan Grenfell-£14m‡	it forms around three forme
-	failure are already bei	ng Scott Goff Hancock	April 1984	R. Lavton (merger)*	Secure

Deal

Date

three start ups it backs despite BES umbreha as under it.

Sbearson Lehman-American L. Messel-5 per cent\* July 1984 Express Grindlays Heldings (part of Capel-Cure Myers-29.9 per cent July 1984 Anstralia and NZ Bankg Gp) Battye, Wimpenny and Dawson-25 per cent with an option to increase to 29.9 per cent\* Laucashire and Yorkshire August 1984 Investment Company James Capel-29.9 per cent<sup>\*</sup> James Capel forms joint company with Gerrard and National to make markets in British Govern-ment securities<sup>‡</sup> Hongkong Bank August 1984 October 1984 Dow Scandla September 1984 Savory Milln-29.9 per cent\* Union Bank of Switzerland November 1984 Phillips and Drew-29.9 per cent\* **Chase Manhattan** November 1984 Laurie, Milhank; Simon & Coates Key: \* Stockbrokers; † Stockjobbers; ‡ Discount bouses, merchant banks and others.

OTHER ARRANGEMENTS

July 1984 Prudential Bache Securities of the U.S. holds 29.9 per cent in PB Securities, Down de Boer and Duckett, a UK stockhroker it formed Itself the previous December and which started trading at the end of July.

August 1984 Schroders holds 29.9 per cent in Helbert Wagg and Co., Anderson Bryce Villiers, a firm which it forms around three former members of Pannure Gordon.

Source: Laing and Cruickshank: Financial Times

### Shake-up of the securities markets

THE pressure for radical change within the UK financial community in the past year or so bas proved irresistible. Virtually all the large stockhrokers have formed links with interests outside the stockmarket, while conglomerates are developing rapidly. other financia

MERGERS AND ALLIANCES OF SECURITIES HOUSES

Purchaser

The unprecedented npheaval in London's securities markets have been caused by a number of factors. The abolition of exchange controls in 1979 led to an enormous growth in port-folio investment overseas.

Over the past two years more institutional money has been invested overseas-fil.3bn-tban in the UK equity market-f9.8bn. UK institutional investors have become more sophis-ticated, aware of the different ways of doing business with different dealing systams. They have become more critical of the way business is done in the UK.

U.S. investors also began to increase their involvement in UK stocks. International competition for business intensified in London and securities firms found that they were at a

disadvantage to their U.S. and other overseas rivals. The comparimentalised structure of the UK securities market, and its weak capital structure, militated against the likely success

Its weak capital structure, militated against the likely success of UK securities firms in the future. Deregulation of the London securities market in the summer of 1983 changed that. In order to survive in their potentially bighly competitive domestic market and to establish a role in international trading securities firms were forced to turn to rich partners outside the walls of the London stock exchange (see table above). The Stock Exchange has steadily hear oflexing in miler and the parametic continuing which in

exchange (see table above). The Stock Exchange has steadily been relaxing its rules and the process is continuing, which in turn is forcing further change. These changes represent London's effort to participate algolificantly in the global market place. Investment structures, modelled on U.S. lines, are being formed: links are being established with major firms in other financial centres such as Hong Kong and Tokyo as well as the U.S. New international dealing arrangements are being formed within existing London firms often on a joint venture basis.

### ROBERT $\mathbf{H}$ 8 Crosby Square, London. EC3 I have the pleasure of informing you that, since leaving Dundee for my first visit to the New World in the Spring of 1873, I and my colleagues

# **Traps for unwary overseas investors**

Taxation ERIC HENBREY

IT IS tiresome enough that investors have to concern themselves with taxation in their home countries, but their prob-lems are multiplied when they decide to invest internationally. Many decide that they do not

taxes, and there are investment opportunities to assist that

desire. Such problems are least

in the Eurobond market, where

the yield on investments is in-

variably obtained free of all taxes. First class bonds denomi-

nated in all the major curreo-oies are available yielding gross

interest free of withholding

If investors are seeking equity appreciation the Eurobond mar-ket offers a wide range of con-

vertible bonds the income yield

and capital appreciation on which is free of tax. Further-

more, bearer bonds are the norm and provide the anon-

ymity that is often so precious

Withholding tax on Interest and dividends is the most com-mon tax bazard for inter-

national investors. Tha theory of withholding tax is that the

foreign investor, deriving in-come from within a country,

should suffer a measure of taxa-tion by that country. In the case of interest the theory does

not work in practice. Fiscal authorities in countries

needing imported capital seem slow to recognise that with-

holding tax is a burden that tends to fall upon the borrower, because foreign lenders insist upon receiving their interest

gross. Escape valves are neces-sary, so in the UK Government

funding is facilitated by the Treasury's power to designate

Government Stocks as tax free

The Eurobond market has

to non-residents.

taxes.

to investors.

The ultimate example of this

administrative sabotage has just occurred in the U.S. where the Imernal Revenue Service

have ruled retrospectively that

some 10 important Eurohond

issues launched on a tax-free

basis are in fact subject to withholding, a ruling bardly likely to inspire confidence in

The recent change in the UK

provides a trap for the unwary foreign investor in the Euro-

bonds issued hy UK parent companies (the issues by Haw-ker Siddeley and Rowntree

Mackintosh are the first examples). Although the bond

In most cases the Inland

Revenue does not seek to assess. However if it identifies

future issues.

mitting them to borrow extern-ally through financing sub-sidiaries in countries, like the Notherlands, which impose no interest withholding tax. It is interesting that currently the UK, U.S. and most recently France and West Germany ore cognising this and repealing. It is unfortunate that such progressive initiatives are so often undermined hy the tax admioistrators persuading the

UK investors. It is unfortunate for UK in-vestors that these offshore funds

can be caught by the recent roll-up fund legislation for some technical reason, for example

Financial Times Friday December 7 1984

Quilter Goodison-29.9 per cent\*

Hanry Ansbacher-29.9 per centt

Leopold Joseph-29.9 per centi

R. A. Coleman 29.9 per cent\*

White and Cheeseman-29.9 per centi

Galloway and Pearson 29.9 per cent\*

Henderson Crosthwaite (Far East) approximately

Wood Mackenzie 29.9 per cent valuing Wood

Grieveson Grant—5 per cent. Deal values Grieve-son at £44m\* and Charlesworth and Co—29.9 per cent. The jobber is valued at £800,000‡

Deal

75 per cent\*

Mackenzia at £20m\*

Date

April 1984

April 1984

May 1984

May 1984

May 1984

May 1984

June 1984

June 1984

June 1984

have recorded considerable success across North America, the United Kingdom, our Continental neighbours in Europe, and the Oriental territories. Now, in 1984, we manage or advise clients' funds worldwide, worth in excess of US\$14,000 million. - In the City of London, Robert Fleming is one of the most substantial and successful managers of UK Pension Funds. —In Tokyo we have become the world's largest foreign investor. -Jardine Fleming are now forming, with Yasuda Trust and Banking, the first joint venture in Japan to advise local investors on domestic and international securities markets. -In Hong Kong, Jardine Fleming manages one of the world's -In North America, our associates Rowe Price-Fleming are one of the largest managers of international ERISA funds. ---We now own Save & Prosper, the leading British mutual fund Such success has been built on a record of sustained investment performance of the highest order. In this regard, I have great confidence in recommending our services to your good selves. I remain your obedient servant. Mon

Soutre London, EC3 GAN 01-S38 5858, Telev 297451, Fax 6263150.



Dealing with tax on home-based investments proves tiresome enough for many fund managers but the problems multiply when a portfolio is spread internationally

tal growth.

legislators that complete free-dom will lead to massive many opportunities to realise come chargeabla to U.S. capital evasion by home nationals. tionally do countries charge foreign investors with capital

to invest individually in real gains taxes when their only con-oection with the country is a estate and several investment funds bave been launched. They portfolio investment. Hence international equity investors 

are often content to live with withholding tax on dividends if their primary objective is capi-UK pension funds, limited partnerships, for investors in West Germany particularly, and tax haven companies for international investors generally. Tax looms large in the struc-International investors have to contend not only with income

for example to minimise U.S. income and withholding taxes on and capital gains taxes but also with estate and gift taxes. For example a foreign invastor may incur a capital transfer tax lia- the rental flow generated hility should be be unfortunate real estate investment. the rental flow generated from real estate investment. This enough to die owning a substan-tial portfolio of UK equities. A simple, hut normally effective solution to this problem is for is an area where the inter-national investor and his tax examples). Although the bond simple, it is problem is for solution to this problem is for withholding tax, it remains the foreign investor to incorpor-theoretically subject to UK at a company outside the UK which actually owns the investplanner are currently under siege particularly by tha United

fits from overseas investment, be they the conventionally financial or the achievement of States Revenue. Much real estate and oil investment has flowed through the Netherlands and/or the Nethergreater security, must justify the depredations not only of Actilities because of their favourable double taxation treaties with the U.S. The U.S. is seeking to renegotiate those treaties in an effort to prevent their use by investors resident A similar technique can be effective for investment in other their own fisc but of those over-seas who wish to take the first assess. However if it identifies countries. Nor should inter-somebody in the UK managing national investors overlook the bite

Eric J. Henbrey is 0 director of J. Henry Schröder Wagg and Co.

For others the potential bene-

Few investors have the means

tion This article has not ventured into what may be the first pre-occupation of the international

exchange control, the invest-ment currency premium being a thing of the past. However it shows litle sign of reducing the number of new offshore funds competing for investors' atten-

technical reason, for example too large a single investment, even when they distribute all their income. This overkill has the penal consequence that capital appreciation can become income taxable to UK investors. Legislation against offshore funds such as that in the UK sometimes appears discrimina-tory against the small investor who invests collectively—it may even represent a subtle form of exchange control, the invest-

Its a direct

direct S W addition.cl as give you per

investor-what will be left of the return on his investment when his home fise has taken its share? The exempt institu-tional investor has no worries on this score, although he will regret that his exempt status extends only rarely to overseas

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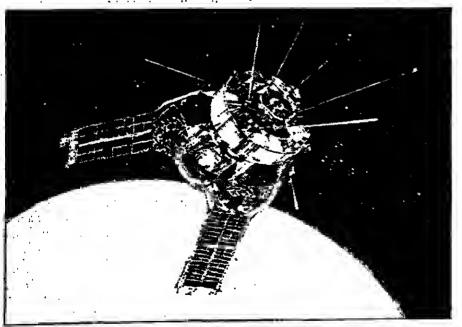




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# Hedging against dollar element of portfolio comes to fore

### Currencies

JEREMY STONE

became more evident with every surge in the dollar—and with each bout of central bank intervention, aimed at curbing its progress. Exchange risk used to be a luxury—in the days when all investment was meant by backtheach by backtheach SINCE the great hull market in dollars started late in 1980, the rewards of investing in U.S. when all investment was meant to be financed by back-to-back loans or pool dollars. After the abolition of exchange con-trols currency exposure was practically de rigeur; now, for all hut the most cavalier of asset managers, it has started to be thought of as a voluntary thrill. the rewards of investing in U.S. instruments have been obvious to the most insular of fund-managers. Even if there had been nothing to go for on Wall Street, the total return on U.S. securities to 2 UK fund would always have seemed respectable --simply because the currency thrill gain was racking un at a com-

gain was racking up at a com-pound rate of nearly 20 per cent On the other side of this coin, however, is an increasingly obvious currency risk; as the dollar rose, so did the propor-tion of institutional cash flow That is perhaps the best way to read news of a surprising recent reversal in the direction of UK Institutional investment, when it seems that the regular outflow of recent years was was being exposed to the that was bein U.S. markets.

outflow of recent years was — for one quarter, at any rate — replaced by an influx of £0.75on. It is possible that funds had taken a prescient look for signs of tiredness in the U.S. eco-nomy, deciding that the time had come to lighten their hold-By now, after a doubling of the dollar's sterling value. it is only reasonable for funds to think about protecting their U.S. portfolios against a longings of Wall Street equities. awaited crack in the dollars

waited crack in the dollar's spward trend. A plausible background The high level of U.S. interest ates—another important part the feeling that UK institutions of the American total-return the dollar's the feeling that UK institutions had at long last overshot their upward trend. of the American total-return package—is more than anything target weighting in the U.S. If so, one heavy factor in the assessment would be currency, inflating the sterling book value a reflection of the Federal demand for deficit finance. But It must also be registering the risk premium that international of sveragely successful invest-ment; that might well come ahead of any shift to a bearish capital requires for holding dol-

The point of disentangling the underlying market risk of a terms. portfolio from the currency risk became more evident with It is rather more likely, howbeen deciding to do something about locking in their historic currency gains, minimising their prospective losses. Attempts to do this by arrang-ing to go short of the dollar — traditionally by selling dol-- tradinorally by setting dol-lars in the forward currency market without reducing the exposure to U.S. markets --might have been quite sufficient

to create an impression of disinvestment Nevertheless, despite appear-Acces, the decision how to hedge has not yet leapfrogged the question whether to bedge a curreocy risk at all — even when it is seen to be significant. One extreme position — that

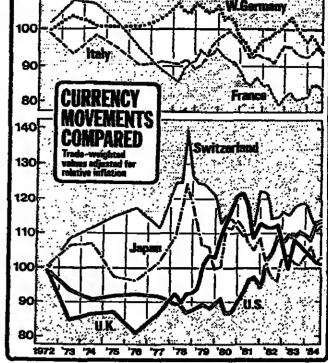
One extreme position - that currency risk is an intrinsic part of the investment parcel and should in principle be left unhedged — is more legitimate in the mouths of company treasurers than in those of pension funds Whereas it is theoretically

open to a speculative investor to choose companies for maximum currency exposure (and be used by funds wanting to currency gain) a pension fund raise their profile in U.S.

view of Wall Street in dollar may be barred from such a plan by its fiduciary duty to produce a given stream of ever, that funds in general have sterling income. At this opposite extreme, where a fund is compelled to shed currency risk at any reasonable price, the hedging decision is entirely one of means 'rather than ends, for the required end is to follow the most prudent strategy, whatever it may be. The return of hack-to-back

financing is, however, by no means the only-or even most efficient-way in which funds can try to sterilise the currency element of their overseas portfolios,

Certainly the time-honoured routine of selling dollars for-ward has in the past year been ward has in the past year been a way of throwing away part of the profit on a U.S. portfolio. For a fund which is already ex-posed in the U.S., currency options are probably the most efficient method of locking in the gains. They are easily tradable on the Philadelphia or Amsterdam exchanges, and the possible loss is limited to the "insurance" premium. Various "synthetic" options can also



except at the margin.

options on the underlying any move in the domestic U.S. instrument — say Treasury market.

securities markets without bonds; dollar exposure is 1 per increasing their dollar exposure, cent of the face value, the related cash remains invested

A neat trick suggested by in sterling, and the option brokers James Capel is to buy investor gets the full benefit of

**Overseas weighting to climb** 

even lower. Statistics collated hy Mrs Evi Kaplanis of the Londoo Business School indi-cate that the closest compartors, for example Sweden in 1982. Even now professional investors point to other similar opportunities in the minor mar-kets. But it is difficult to see the traditionally conservative pension funds and insurance

mpanies being the first to dip companies being the first to dip their feet in, say, the Spanish or Israeli markets. If, however, risk diversifica-tion is the main justification, the 15 per cent figure looks ex-tremely arbitrary—and much too low.

brought against the National Union of Mineworkers by the In a theoretical world with-out legal, fiscal or administra-tive barriers to foreign invest-meot, the optimum degree of diversification for a UK pension fund would be achieved when it had invested about 93 per cent of its envire metfolio in foreign National Coal Board trustees of scheme, which was accepted by the High Court in April.

The other justification for overseas investment-that it is overseas investment—that it is possible to achieve super-normal returns by spotting under-valued foreign equilies—has some theoretical basis. Because of institutional and legal bar-riers, there is not yet a suffi-ciently free flow of capital around the globe to ensure that national stocks markets are effi-ciently priced, one relative to the other. of its equity portfolio in foreign equities. For the total UK stock markets. However, the costs of col-lecting information, transmitting funds and dealing overseas reduce the optimum proportion; payable on most overseas divi-dends. This is less of a draw-

**Under-priced** 

more or less, was the claim of the mineworkers' trustees in their April court case,

However, the gathoring momentum of U.S. and Japanese pension fund exports of capital should offset a substantial increase of UK institutional fund investment abroad over the next few years.

Figures produced by the New York investment research company, Quantec, suggest that the benefits of diversification away from the UK stock market are great. This is because the correlations between the move-ments of the UK markets and those of other markets are rela-tively low-between 0.25 and 0.5 over the last five years. But ironically, the strong perform-ance of the UK stock market

over the last year compared to overseas markets has created market capitalisation is only overseas markets has created about 7 per cent of the capitali-disillusionment with overseas sation of all the world's investment among some fund anagers

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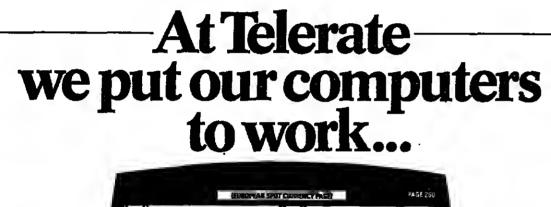
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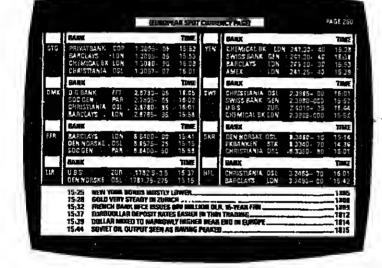
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#### Fluctuations

Currency fluctuations should also not be a major deterrent for investment institutions like pension funds with ultra-long-term time horizons of up to 40





AN OUTSIDE observer of UK pension fund cash flows might wonder what the theoretical significance was behind a 15 per cent weighting in overseas equi-After the removal of erchange controls in October 1979, UK pension funds started

investing slightly over 20 per ceot of their cash flow in overseas equities - until the begin-ning of this year. Then the outflow of funds came to an abrupt halt — in fact there has been a small net repatriation of

CLIVE WOLMAN

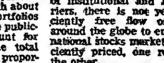
funds since then. The movements over the past five years have left private-sector pension funds with about 5 per cent of their portfoli in overseas equities. The public-sector funds that account for nearly one-third of the total bave a slightly lower propor-

tion, around 12 per ceet. By international standards, this figure is fairly high, at least for a large economy. U.S. pen-sion funds have only 2 per cent

Diversification able figures are, for West Germany 12 per cent, Italy 7 per cent, Switzerland 35 per cent, Netherlands 41 per cent, and Belgium 24 per cent. In the UK, at least, the justi-

the mineworkers' pens

fication for investment abroad has been couched mainly in terms of risk diversification. This was the thrust of the case



"Brokers or consultants will supply us with industry re-search. But we do a lot of

the company research our-selves," says Mr Kemp, lamenting the absorption of

smaller regional brokers in the U.S. into national firms.

though these may change from time to time in accord-ance with strategic decisions. The trust did well out of

energy stocks at one time, for instance. Current favourite sectors in the U.S. include technology and specialist

Despite these industry

orientations, however, the management is structured on a geographical basis, "Each industry tends to be at a different stage of develop-ment in different countries,"

And ETT has different ob-jectives in the various mar-

Mr Kemp points out.

retailers.

In Japan the approach is

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### Mackenzie Financial Corporation / The Industrial Group of Funds

sion funds have only 2 per cent of their assets abroad although the figures has been increasing rapidly since 1980. The Japa-under-priced until suddenly disnese pension fund figure is covered by international inves-

Profile: Edinburgh Inv. Trust By Barry Riley

Profiting from a specialist stance

FOR A hundred years, Scottish investment trusts have been notable international investors. By the standards of the hig pension funds and mutual fund groups they are often quite modest in size but this does not discourage them

different so far, with a con-centration on large com-panies, but the longer term objective is to seek out more interesting growth prospects from taking a global view. A case in point is the Edinhurgh Investment Trust, a Charlotte Square trust which has a portfolio of around £450m. Some 40 per cent of as the trust's Far Eastern expertise develops. this is invested in the U.S., an-To make the most of its management resources, KIT tends to concentrate its focus on particular sectors — al-

other 40 per cent in the UK and the rest in other overseas markets—with the emphasis on Japan where the trust's ex-posure is being steadily built With only 10 investment managers and analysts, EFT has to use its limited resources carefully-although some extra revenues have been generated by the setting up a few years ago of a sub-sidiary fund management company called Edinburgh Investment Management which looks after several pension

funds and unit trusts plus some private clients. This takes the total of money under management to around £600m and finances extra research and management capabilities.

According to Mr Alan Kemp, an executive of the kets. "If you are investing overseas there is not much trust, and a North American specialist, the modest size has Its advantages. "We find the small group concept attrac-tive," he says. "We can maintain contact with each other." The basic philosophy is to take decent sized holdings in growth-oriented companies. At present there are 275 different boldings, a figure

which is likely to decline. Mr Kemp complains that trends in the securities indusrty are not proving belpful, bowever, especially in the U.S. "The availability of research on smaller companies is much less than it used to be," he suggests. EIT's managers therefore have to keep

in close touch with the compaules on a regular basis.

hind of compasies that you find in the UK," says Mr Kewp. Hence the search for earnings growth in the U.S., which has not been so easily available in the UK—where the trust has tended to attach more priority to reliable income EIT is determined to remain a specialist in invest-ment management and does

not intend to become caught up in the trend towards diversified financial services. Mr Kemp emphasises that

the trust does not wish to become involved in banking or insurance broking. " In due course the pure investment manager will be valued at a premium," he says,

an receive U.K. div free.

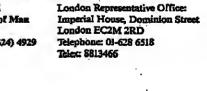
back for insurance companies than for pension funds which

Thus, barring political inter-vention in the form of a But perhaps the most impor-Labour government re-imposing tant objection is that, in the absence of a free flow of funds exchange controls and demanding the repatriation of overseas out of other countries, particu-larly the U.S., such a high out greater internationalisation larly the U.S., such a high out greater internationalisation flow of capital from the UK might be expected to raise the would leave the UK market 15 per cent overseas investment under-valued and UK com- weighting for pension funds 15 per cent overseas investment weighting for pension funds panies short of capital. This, over the next few years.

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**International Fund Management 7** 

# A year of mixed blessings

their new issues

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### DUNCAN CAMPBELL SMITH

BY THE time international fund managers sat down to review the prospects for 1984, most of them were already more than a little tired of two of the longest running forecasts in the international capital

markets for many a year. One said the dollar had to collapse and probably quite soon. The other said great things were around the corner for the advocates of U.S. withholding tax reform and for investors likely, as a result, to prosper from much more free-dom of choice between domestic and international dollar bonds.

Both forecasts had been around a few years and both were treated accordingly—with plenty of lip service, that is to say, but little of the genuine respect which manifests itself in plactical investment deci-sions. Instead, fund managers husied themselves with the infinite mysteries of monetary economics and predictions of interest rate movements.

As the year has unfolded, this approach has proved a mixed

It has at least proved well-founded as far as the dollar saga is concerned. Time spent worrying about the much pre-dicted collapse of the dollar would have been time wasted this year; but then—as always —this could be abont to change. "Every single fund manager

"Every single fund manager coming into work these days looks first at his forelgn potential for capital gain-exchange screen," says Alan largely explains its fast grow-Brown, head of fixed interest securities at American Express Asset Management, "and he true of another fashionable wonders if today is not the day to hedge bis dollars." As this suggests, many-prob-ably most-international fund managers have been content to hedge only a small part of their art of the day is not the to another fashionable warrant.

the owner to subscribe at a pre-arranged price and exchange hedge only a small part of their total currency exposure through rate for a certain bond at some 1954. In particular, a wide- future date. Warrants have spread conviction that the normally been issued attached dollar's strength contradicted to a straightforward bond, any fundamental analysis of the though they then trade separ-currency's situation was off-set ately in the after-market.

by the confidence of most man-agers that the dollar would at least be safe until the Presi-dential election on November

involve unwelcoma additional paperwork. Covering, sey, the dollar risk on a five year bond. a sterling-based manager might arrange a sale of dollars in the forward exchange market to coincide with the maturity of the bond.

But when the forward sale data arrives, a cash transaction will be involved. If the dollar bond has been sold in the meanbe taken to ensure the delivery requirement can be metnormally involving a matching forward contract to buy the required dollars. An increasingly preferred s' market deterioration in trading conditions should wipe out the value of many existing war-rants; hut to date, anyway, warrants have certainly helped the managers to attract interest

hedging tool has been the traded currency option. Princi-pally traded in Philadelphia but also in London, currency options need not lead to any cash transaction.

#### Compensation

extra," says Nigel Hurst-Brown, of merchant bankers Hill Samuel. "But I welcome thst-Investment is not an exact science and if people are offer-The fund manager with the the fund manager with the dollar bond might acquire sn option to sell dollars in six months' time at today's exchange rate. If the dollar weakens, the sterling value of the bond will fail but the price of the option will fail but the price ing ways and means for you to hedge your hets in a construc-tive fashion, that has to mske of the option will rise in com-pensation and can be sold in the options market. If the dollar strengthens, the option might well become worthless; but the increased sterling value of the bond should more than halance the modest loss on the option. This asymmetrical feature of the option-with its limite of harder to track consistently in 1984 than for a few years past. The surge in dollar yields in the first half left a good many portfolios bsdly shaken.

Interest in warrants has ment to enjoy what followed grown very significantly during 1984; even attracting some cr-cism from time to time as This automn's rally saw many an avalanche of leading corporate names from the U.S. 6. And so it proved. Hedging against a portfolio's secondary market becoming foreign exchange risk can also over-heated. But the attraction offering historically high real yields in some continental currencies as well as in dollars is clear enough: warrants have allowed fund managers to look forward to enjoying the benefits of any sustained buil market in dollar bonds, while at the same Real yields of about 51 per cent in D-mark honds, for example have offered fund managers a good 2 per cent more than has been usual in the past.

time allowing them to limit their exposure to that long, feared collapse in the dollar. Few warrants have yet reached their first exercise date. There is still plenty of Other sectors, too, have seen a flurry of activity in recent months: the 10 per cent rise in Tokyo share prices hetween early July and last August prompted strong demand for tima for fund managers to show a rather less indulgent stitude to the use made of them by the market's new issue managers, if well as dotlars.

#### Perennial issue

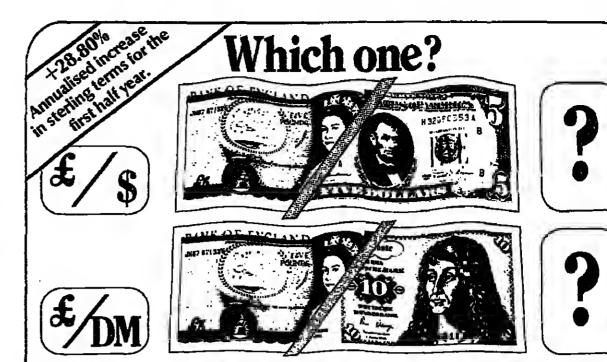
Finally, this was the year hat confounded all those Douhting Thomases amongst the fund managers on the perennial issues of withholding taxes Washington's tax reform hill in "Wa see these bells and whistles coming along whenever July at last swept aside the withholding tax barrier to inter-national investment in the domestic U.S. bond market. there are a lot of horrowers wanting to tap the market and they want to have something

The accompanying Internal Revenue Service rules which followed a month later have raised questions in the minds of some managers about the practical accessibility of the domestic market. The required declarations of

heneficial ownership — to he made shesd of esch dividend coupon submission — may deter a few and will clearly involve One way or another, then, most fund managers appear to have accustomed themselves to the rest in additional adminis the dollar dilemms reasonably trative work. But most believe this will be a small price to pay for having the option to deal in a dollar market subsuccessfully. Other running stories this year, though, bave caught them on the wrong foot rather more often. stantially larger and more liquid than the Eurobond Most hasically, the direction f interest rates has been arena.

Parallel tax reforms have a the same time opened other, Continental markets. As in the U.S., France has moved to scrap

its 25 per cent withholding tax hut has only granted the exemp-Managers who then switched defensively out of long-term bonds into short-term paper tion to new issues. West Germsny in October annouoced found themselves stranded on the bolder intention of abolish the sidelines of a dramatic rally ing the tax on all domestic D in long term prices in the third mark lasues, past, present and quarter. And it was a rare man-future. This, indeed, could ager who ducked the first half still prove one of the most sig storms, yet returned to the mar- nificant legacles from an event ket with a big enough commit- ful year.



With floating exchange rates the volatility of currency values has dramatically increased over the years. At the same time, the daily trading volume in the world's currency markets is 15 to 20 times greater than that of the world's stock markets.

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ments essential for all hut the largest funds. Few U.S. investors have been Property

WILLIAM DAWKINS

tempted by sterling's weakness to pick up British property on the cheap. With a prime U.S. shopping centre yielding up to 9 per cent annually, as against THE dollar's steep rise has just 3; per tent to done little to knock North able Britisb developmant, it is not surprising that U.S. American property from the top investors want to stay at home fund The parties manage one an other's interests, and Reeder is now considering seriously whether to invest further in Japan.

Its most recent Australian deal was the acquisition for A\$19.6m of British Land's 24.5 per cent share in an A\$80m property trust invested in office

The biggest pension funds and other major institutions like the leading life assurance

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of most international fund managers' shopping lists.

Far from inhibiting the flow of institutional funds into U.S. 'real estate, it has contributed to some impressive increases in capital values for existing in-vestors. Admittedly, new in-vestors have became mora cautious about entering the U.S. Independently. They are turning in increasing numbers to pooled funds like the North American Property Unit Trust, the American Property Unit "The strength of the dollar Trust, and Grosvenor Estate's has made us look harder at West Coast Freeholds.

West Coast Freeholds. There are no centrally gathered figures, but Graham Bond of Richard Ellis's New York office guesses that UK in-stitutions spent more than \$1bn on U.S. property last year, against \$750m in the preced-ling 12 months. "Investment 1 as one might consider, relative to tha ups and downs of tha exchange rate," he says. Investors' appetites are renew for the sector of the British Tele-tom and Post Office pension But Mr Reeder adds: "Cur-rency movements are a year on LIMITE

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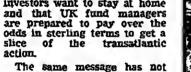
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much as one might consider, com and Post Onice pension we are concentrating on the tanus and Germany. relative to tha ups and downs funds. Investors' appetites are check to the use of the exchange rate," he says. Investors' appetites are check to the use of the tangent of the use of the exchange rate," he says. Investors' appetites are check to the use of the



been lost on other European investors, especially Dutch funds like Wereldhave and Robeco and West German syndicates, who have been active buyers of U.S. property over Investors are turning in increasing numbers to pooled the past year.

"The strength of the dollar some investments in terms of

funds for investment in U.S. property Like other funds, it has heen active elsewhere in the world, hut on a far smaller scale. Postel recently pot up for sale its entire Continental European

U.S. still tops shopping list

portfolio-with the exception of France-expected to fetcb 530-535m. "We had to make up our mind whether to put a lot more money into Europe or get out," says Mr Reeder. "Now we are concentrating on the

like the leading life assurance groups prefer to invest directly in the U.S. rather than take a managed route. The National Coal Board's pension fund, a pioneer in U.S. investment, even maintains its own manage-ment teams in New York and on the West Coast of America. despite Mr Arthur Scargill's attempts to block any increases in its overseas investments. But when it comes to investing in smaller and more complex economies, such as in Con-tinental Europe, the situation is different, explains Mr Bob Juddery, managing director of NCB pension fund's European

property branch. The board is one of the dozen members of the Pan European Property Unit Trust, which invests chiefly in Belgium, the Nether-lands and Germany lands and Germany.

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COMP RANK 1983 1982 Exxon (New York) General Motors (Detroit) . **3**-Mobil New York International Business Machines (Armonk, N.Y.) Ford Motor (Dearborn, Mich.) 2 .3 3. 5 E.I. du Pont de Nemours (Wilmington, Del.) Texaco (Harrison, NY) 6 5 Standard Oil (Indiana) (Chicago) Standard Oil of California (San Francisco) 6 8 7 General Electric (Fairfield, Conn.) YO F 8 7. 9 Gulf Oil (Pittsburgh) Π. ------

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VIII

Financial Times Friday December 7 1984

# **Electronics** exploit markets in ever more subtle ways

### Information Services

CHARLES BATCHELOR

THE fund manager has not been the traditional target for most the traditional target for most of the electronic information services which have grown up over the past two decades. The up-to-the-second price informa-tion they provide has been aimed mainly at the dealing rooms of the world's financial institutions. services which have grown up over the past two decades. The up-to-the-second price informa-tion they provide has been aimed mainly at the dealing rooms of the world's financial institutions. But as the software programs devaloped by services such as Reuters and Telerate grow in sopbistication and they move increasingly to the analysis of the information they supply

their attraction for the fund Reuters case British and Com-manager grows. monwealth newspaper groups manager grows. And as the information networks move in this direction companies which have always concentrated on analysis, such as Datastream are broadening thair

range to include more straight-forward price information. Reuters, Telerate and Data-stream i/we a major role in the Bradstreet, electronic information industry though they face a constant challenge from smaller rivals in-tent on cornering part of their

is

putting together an "Invest-ment Mani; ement Service" and in Telerate's case, Exco, the UK money broking group-have retained large boldings. Dstastream meanwhile, was comprising video "nages" of international bond information. One page is expected to show selected rates for U.S. federal acquired by the U.S. credit infunds, U.S. Treasury Bills, Euro certificates of deposit, leading

currencies against the dollar, bell-wether bonds of major corporations and 'pre-market' quotes of bond issues which traditionally is traditionally strong in the markets for U.S. government securities and domestic money market instru-ments. Prompted by moves in the U.S., Germany and France to remove withholding tax on bonds and the dismantling of foreign exchange controls in a number of countries, Telerate is expanding its international bave yet to start official trading. "We aim to provide a mstrix which will allow dealers to price any debt obligation they bold any debt obligation they bold or are interisted in," says Mr Hume. "We will provide all currencies, all instruments and all maturities." Mr David Mulhall, securities markets manager, st Reuters coss increased interest in coultry

sees increased interest in equity markets now that inflation levels bave been brought down. Reuters has moved closer to the market place than Telerate and has introduced dealing faci-

littles for its clients through its monitor screens in currencies and—since September 3—in

**MURRAY JOHNSTONE** It was Reuters' decision to establisb data bases for its various services-recording the

information it previously erased at the end of each day-and offer graphics services to manipulate the data, which bas brought it into an area pre-viously dominated by Data-stream. Initially Reuters bas launched granhics services for spot currencies, deposit rates and bullion prices but these areas will be expanded.

#### More analytical

Datastream provides the most highly developed graphics ser-vice available to brokers, jobbers, fund managers and banks and has traditionally been seen

and has traditionally been seen as the information service most suited for tha more analytical requirements of the backroom teams of these organisations. "On the other services you are looking for a 'deal now, deal now' opportunity," says Mr Graham Wallace, deputy marketing manager of Data-stream. "Our graph programs allow clients to compare several charts on one screen. Fund managers can check the validity managers can check the validity of brokers' recommendations." Datastream provides a wide range of graphics options in-cluding line, bar and ple charts. Its equity research service allows clients to call up infor-mation on 20,000 equities quoted on stock exchanges around the world, to compare company . performances . and analyse the data to reveal underlying factors of interest and long-term trends. A search

JOHN MAKINSON FOR THE fund manager chasing higher returns through international diversification, equities present the greatest international challenge and, perhaps, the greatest opportunity.

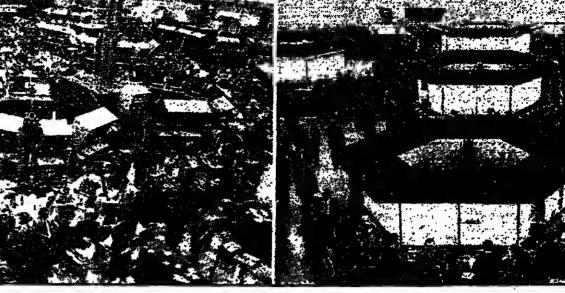
Whereas international arbi-trage rapidly eliminates price anomalies across different fixedinterest and currency markets, the enterprising fund manager can still unearth equity invest-ment — indeed whole equity markets — which look under-valued by international com-

So, while Wall Street, Tokyo and London remain the core of

Market turned

badly in 1984. The occasional setback has

facility permits clients to find beld all stocks which meet specific re- dollar, quirements, So f far the wave of inter-



# Prime area for diversification

national diversification has not Equities

national diversification has not been tested by a genuine bear market. Tha dramatic surge in the dollar's value has clipped back the return from overseas equities for U.S. investors but, even in dollar terms, the Wall Street fund manager would have done as well in the Tokyo market as in his own backyard a bedge against the damage which may be caused to the U.S. chemicals industry by a rising dollar. Fund managers feel more confident now about diversify-ing their equity portfolios for a whole host of reasons. Even the traditionally insular Ameri-can pension fund manager has been persuaded that diversificathis year. And many U.S. pen-sion funds in particular are taking the view that the dollar must eventually succumb to the forces of economic gravity and tion can limit rather than en-hance long-term portfolio risk.

so are locking in now to per-ceived currency profits In the most hquid and efficient hance long-term portfolio risk. But, in the case of equities, investors have until recently been deterred by the strange-ness of foreign markets. Un-familiar accounting practices and a suspicion that prices are often rigged in favour of local participants have beloed to keep the fund manager at bome. Those fears have to a great extent been allayed. Japanese companies, in particular, have equity markets, fund managers should bave little difficulty in scaling down their exposure nuring a bear market. But there is an obvious risk that in the smaller markets, the less fleet of foot could be crushed in the rush for the exit.

Aready, in the Swedish mar-ket, U.S. funds have encountered problems in reducing their commitments as rapidly as they would like. And a few Wall Street fund managers still recall the last wave of overseas invest-ment, in the late 1950s, when heavy U.S. buying pushed the share price of Philips to roughly 35 times earnings. When the market turned, the Americans fled and the price collapsed. While a worldwide bear mar-

While a worldwide bear mar, ket might leave a few hurni ingers around Wall Street, it is most unlikely that inter-national funds will promptly re-treat to their home ground at the first sign of falling prices. U.S. investors currently own roughly 16 per cent of the equity of Imperial Chemical a brokers in London say that the character of the investment has changed signfrantly over the past year.

Whereas the stock was attrac-ting "hot money" in 1983, it is now being bought principally by long-term funds not least as in the market. Tokyo'a securi-

in the market. Tokyo'a securi-ties houses cannot afford to ignore, let alone abuse, the foreigner's portfolio. Companies bave themselves contributed to the awakening of interest. The "roadshow" is now a familiar sight on the interest indexput on the investment landscape, as execu-tives tour overseas markets to explain, and they bope attract interest in, their company.

A logical extension of this trend is the international list-ing. Scandinavian companies were among the first to recog-nise aggressive expansion.

#### Pioneer

Novo Industri, the Danish pharamceuticals group, was a sioneer in this respect, listing its shares and raising capital in London and New York to fund

London and New York to fund its international growth. Earlier this year, Renters managed — admittedly with some difficulty—to float itself aimultsneously in London and New York, while the British Telecom offer for sale will be proproved watered on Wall companies, in particular, have begun to present their accounts in accordance with American standards while, even in the vigorously marketed on Wall Street and in Tokyo, as well as markets of continental Europe, disclosure has steadily imin London inclustre proved. Meanwhile, equity analysis bave become more expert at converting foreign accounts into

In London. The goal of a global market-place in equities still looks a good distance off, Enormous strides still need to be made in the harmonisation of account-

converting foreign accounts into a form more understandable to the American investor. The in-the American investor. The in-ternational fund manager should now be able to make meaningful comparisons be-tween, for example, GEC of the UK, GE in the U.S., Hitachi in Japan and Siemens in West Germany. In several markets, not least Tokyo, the concern that foreign investors will he disadvantaged

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parison.

and London remain the core of any balanced international equity portfolio, investment managers have been combing the globe for neglected oppor-tunities. Over the past fiva years, Mexico, Spain, South Korea and Sweden have all

under the investment come microscope. microscope. Not all these experiments have been successful. Mexican equities proved an unmitigated disaster for the first two years after the market was opened to foreigners. Even Sweden, the world's hest performing market last year, has been sagging hadly in 1984.

not, however, dampened the enthusiasm for international esoterica. Finland is the latest market to benefit from the fund manager's attention. The Helsinki bourse rose by almost 50 per cent hetween June 1983 and 1984, while the Finnisb Markka beld almost steady against the

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Profile; Wardley Investment Services.

By David Dodweltr

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# Making the most of a home advantage

"Wa ARE a big fish in a workers in the low 20s. This closed book while the Govern-relatively small pond—and that means that contributions are ment's Central Provident Fund brings clear advantages," said growing rapidly while funds are (CPF) takes 50 per cent of a Nigel Tulloch, head of Wardley unlikely to have heavy demands Singapore worker's salary at Investment Services, arguably made on them for many years source. However, in recent Hong Kong's biggest fund to come. manager.

For a start, it means that Wardley-which is part of the Hong Kong Bank Group-gets treated as a first among equals in Hong Kong, even when in tha company of other major fund managers. With something in the region of U.S.\$3bn under management, it is used to getting personalised treatment in a market where every major UK stockbroker and 15 from the U.S. are represented.

Wardley likes to make a clear distinction between itself and other fund managers. Whereas the other majors in Hong Kong-Handerson, Bar-ing, Gt Asia, Fldelity or Jardina Fleming, for example-are overseas arms of companies based in Furner or the US Western-originated funds in the Asian securities markets, Ward-ley is the mirror image of them. Most of its funds are Pacific, many Government pen-sion funds, Hong Kong Kow-loon Wharf and Godown Com-pany, and most of the local utility companies. Among its large pooled funds, the Carling-ford-Swire Funding Scheme amounts to about U.S.\$250m, while the Hong Kong Bank's own Central Provident Fund amounts to about U.S.\$100m, He disclosed that of the 300 portfolios under management, 10 account for about 85 per 10 account for about 85 per cent of total funds. Wardley's growth has coincided with a rapid growth in the number of retirement funds set up in Hong Kong. Historically, employers assumed no responsibility for such matters, panly because most companies were small family businesses. As companies have grown, so this

This growth has sometimes proven a mixed blessing for a market leader like Wardley, shoe many companies have reached a size where they hava sought second or third fund managers. When this happens, the new manager does not just

get the incremental contribu-tions, but will normally be given discretion to manage balf of the total fund. This can leave Wardley managing less funds than when it was exclusive manager,

The company nevertheless controls about 50 per cent of the managed funds originating in Hong Kong, and according to Mr Tulloch, some funds under its management have been more than doubling every two years-which suggests it has not yet

had to pay a high price for the increase in competition. Asian securities markets, Ward-ley is the mirror image of While the great majority of them. Most of its funds are Wardley's Discretionary Funds generated in Hong Kong— originate in Hong Kong (the local retirement funds and rest come from high-net-worth provident funds—and its job is to invest these internationally. Philippines and Indonesia), Nigel Tulloch is coy about only about 10 per cent is in-disclosing whose funds ha vested in the territory. By far manages on a discretionary the largest exposure is in the basis. But clients are understood to include, for example. Cathay Pacific, many Government pen-mated that it would be unusual sion funds, Hong Kong Kow. the largest exposure is in the U.S., with Yen investments coming second Mr Tulloch esti-mated that it would be unusual for less than 60 per cent of Wardley's funds to be invested in these markets Continents! in these markets. Continental Europe would account for about 15 per cent, and the UK about

per cent. In recent years, returns have varied from a profit of 40 per valed from a proof of 40 per cent to a 5 per cent loss. By all accounts, 1983 was an excellent year, with the Hong Kong dollar weak, and the world's stock markets buoyant. Mr Tulloch noted discreetly that profits of 40 per cent "were not un common,

By cootrast, 1984 is likely to he less exuberant as securities markets have sat in the doldrums, and the Hong Kong dollar has been swept upward because of its link to the U.S. unit

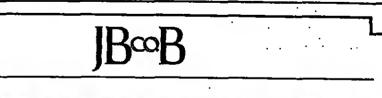
From a fund manager's point to seek funds from outside of view, this bas made Hong Hong Kong has grown. Japan growth averaging more to mains difficult to averaging Kong fertile ground. Economic remains difficult to penetrate, growth averaging more than 6 though an associate. Wardley per cent a year has led to a Nikko Asian Securities. has rapid expansion in the labour been active since 1974. force, with the average age of Singapore has also been a U.S.\$600bn, only 2} per cent — about U.S.\$15bn — is managed outside the U.S.; "even a half per cent increase in U.S. funds managed by companies outside the U.S. would have a significant impact," Nigel Tulloch mused.

ment has unveiled plans to allow companies to put a pro-portion of their provident funds into the hands of private managers. Mr Tulloch said Wardley is seeking clarification. Restrictions have only recently been lifted in Aus-tralia, but Wardley says busi-ness prospects have improved significantly over the past year, with good future prospects formseen

foreseen. Fund managers like Wardley peer longingly at the funds managed inside the U.S. Out of an estimated total market of

area. Tokyo is still "an evolv-ing market" according to Mr Tulloch, but given Japan's eco-nomic importance in the region, it could one day require something more than the present research office.

But the satisfactory settle-Until the recent past, Wardley has not had to think seriously about shifting its kegal home. Hong Kong has been its Kong, under which China has given assurances that it will not tamper with the territory's present capitalistic economic frome frome nous new years in prime source of funds, and has unequalled strengths as an international financial centre in the same time zone as Tokyo. system once it sovereignty in 1 regains sovereignty in 1997, has restored confidence that fund managers like Wardley will be the same time zone as Tokyo. But as its international oper-ations have grown, so a search for firmer bases elsewhere in tha region has begun. It is now boped that Singapore can become a centre for handling funds originating in the Asean allowed to continue business unhindered until well into the 21st century. Apart from organic growth, the search for a new home may now be UDBOCCSSOTY.



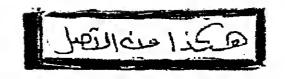
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# **AMERICAN STOCK EXCHANGE COMPOSITE PRICES**

Prices at 3pm, December 6

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### **NEW YORK STOCK EXCHANGE COMPOSITE PRICES**

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Financial Times Friday December 7 1984

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# WORLD STOCK MARKETS

AUSTRIA	GERMANY	NORWAY	, AUSTRALIA (continued)	JAPAN (continued)	OVE	R-THE-COUNT	FR		
Osc. 8 Price + or Sch? -	Dec. 6 Price	+ or Dec. 8 Price +		Price + or Ose. 5 Yen -			<u>-</u>	marker, c.oupin prices	LONDON
Greditanstalt	AEG-Telef	_0.1 Bergen s Bank 158 -	1 Gen Prop Trust 2.22 : +0.0		Stock S	Sales High Low Last Ciking Stock (Hods)	(Hondar)	eck Soles itigh Low Lest Chag (Hods)	Chief price changes
Interunfall	Allianz Vers 1,037 SASF	_0.2 1 DenNorske Greg   155.5' -	6.5   Hardle I Jamesr  80.0 0.6   Hartogen Energy 2.45 0.5   Herald W'yTimes 3.30.1	Mitsui Estata 690 + 2	AFG 4	17 152 17 - ChiPac 2	203 614,81 81 814,-4 2	nSut 31 724, 124, 127, 1 mBTE 127 14, 5-36 16-1 -16 met 350 114, 104, 114, +5, 1	(in pence unless otherwise indicated)
Perimoner	Bayer-Hypo	-4.5 Elkem	2         Kir Aust	Ninon Cement 218 —t Ninopon Censo t,4t0 —10	AamRt 0	100 4, 3, 3, −i Onenv 80 17, 7, 17, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0,	1224 71 <sub>2</sub> 54 77 <sub>2</sub>	F_F	RISES AGI
BELGIUM/LUXEMBOURG	BMW	+0.5 Norak Hydro	···· [MIM]	Nippon Express 348 -2 Nippon Gakki 1,550 +20	Aceino ( AcuRay 20	8 85, 85, 85, -1, Critas .03e 5 172 19 163, 183, -1, Capher 5	12 264, 254, 254, +4, FA 349 205, 195, 204, +5, FA	8 .027 824 55 55 85 85 85 85 85 85 85 85 85 85 85	Dobson Park 82 + 4
Dec. 6 Price : + or	Cont'l. Gummi		Mayne Hickless . 3.0 -0.0 Myer Emporium 1.66 Ket. Aust. Bank. 3.44 j -0.0 News	Kippon Oil	AdacLb S Adage S ActCr S	58 65 64 64 Circon 1	107 44, 4 44,	nn=F I SS 184, 183, 184, 19 nG 1.52 937 435, 425, 425, 44, 1 152 124 22, 224, 24, -1, nata 64, 54, 43, 54, +1, nata 64, 54, 14, 11, 14, +1,	Early
Frs. ;	O'sche Babcock ( 13t )	Dec 6 Price 1	or North Bkn Hill 2	Nippon 81eel 149 -1 Nippon 8usan 340 +2	Academ 2		2 234,29 29 -1, Fa 2 24,294,254 -4, Fa	nañu 684 54 43, 54 +3; nan 34 113, 11 113, +3;	Glynwed Intal 155 +12
Bano. Int. A. Lux: 5,500 Bekaert 8	Oresdner Bank! 189 j	-1 -0.6 Soc Bilbao	Pancent'I 1.07 · _0.1 Ploneer Conc 1.35 _ 0.1	12,900400	ArMd .10a 1 ArWise T 2	202 64 74 75 -4 CaarSts.05 1	157 2312 2212 2312 + 12 Fit	pha .65 197 215 214 214 +4	Goring Kert 435 +15 Hanson Trust 278 +11
Cockeriii	Holzmann (P) 368	Bco Exterior 200	""" Gueensland Coal 1.12 -0.	Hisshin Flour 508 + 3	ArrCal 1 AlstoPc 25r 2 Alex8 s 1.20 8	222 64, 74, 75, -4, Canards 5,05 1 1037 84, 64, 64, -4, Canal 88 2 27 23 227, 227, -4, Canard 8 37 364, 365, 365, -5, Casard 1 31 175, 175, 175, 44, Canard 1 32 175, 175, 175, 175, 44, Canard 1	8 11, 11, 11, -1, A 13, 13, 13, 13, +1, A 5 19, 19, 19, 14, +1, A	rft .40 180 14 135 14 +3	LRC Intal 116 + 7 Northern Foods _ 210 + 8
Electrobel	Holzmann (P) 368 Horten		0.5 Sentos	Homura	Aligonex 3 Aligonex 3	143 65 6. 6 ICathana 5	15 194, 197, 184, +4,   Fr 56 54, 74, 74, -4,   Fr 16 10 54, 94,   Fr 16 10 54, 94,   Fr 15 144, 245, +1   Fr 52 15 144, 245, -1,   Fr	igan 118 65, 85, 85, +5, ⊯8s 1 8 230, 230, 230, –1, 1	Pauls         208         + 8           Sumrie Clothes         80         + 7
GBL (8nx) 2,105 + 30 Gevaert 3,380 - 6 Hobeken 6,140 +40	Horten		0.5 Thos. Natwide 1.00 4 Tooth	Renown	Allegers 48 1 Allegers 48 1 Alden a .84 4 Allnet 3	1933 165 <sub>3</sub> 157₂ 165 <sub>8</sub> + 1, COC289 5 560 5 411 211₂ 211₂ 211₂ Coever t 575 21₂ 2 27₄ + Cocemec 7	11 257⊌ 244, 2554 +1 Fp 52 15 147∎ 1458 -4 Fu 78 314 312 314 Fu 541 177₂ 172 +1₂ FC	VFn 72 16 252 25 25 VTn 1.10 7 242 242 243 + 1 20F 839 12 119 12	FALLS
Kredietbank 7,500 +10	KHD	-1 -0.6 +1	4         Tooth         6.8	Sanvo Elect 467	Alphuc 1 Alics 7	1134 54, 54, 55, 55, Communes t 752 71, 62, 7 –1, Coladofi 6	5 5 4 4 FD	ann 1.20 64 23 224 23 1997 25 161, 163, 164, 1996 545 11 104, 103, 104 28 109, 13 139,	Acorn Comp 61 -14 Applied Comp 255 -29
Petrofina 7,10030	MAN 1 147 6	-1.5 ]	Wormaid Intl: 2.69 -0.6	Seven-Eleven	AWAirl 3 AmAdv 6	2153 18 <sup>2</sup> / <sub>2</sub> 18 <sup>4</sup> / <sub>4</sub> 18 <sup>4</sup> / <sub>2</sub> + <sup>1</sup> / <sub>8</sub> Collegen 7 377 5 <sup>1</sup> / <sub>8</sub> 5 <sup>1</sup> / <sub>8</sub> 5 <sup>1</sup> / <sub>8</sub> Collens 5 55 8 <sup>1</sup> / <sub>2</sub> 5 <sup>4</sup> / <sub>8</sub> 9 <sup>1</sup> / <sub>2</sub> Collens 1 30 11 <sup>1</sup> / <sub>8</sub> 11 <sup>1</sup> / <sub>8</sub> 11 <sup>1</sup> / <sub>8</sub> Collent s 210	22 19 181 151 FF	FMI 20e 70 15% 174,1742 –1 ]	Bio-Isolates
	Manneemonn 144 Mereodes Hid 316.2 Metaligoseil	-0.3 Dec 5 Price +1 Kronor	- HONG KONG	8hionogi	-ACarrs T ACond 3 AFdSL s.60 5	102 117, 111, 113, −34 ConDts :	220 1, 2, 1, +1, 11 44 12 111, 12  Fd	14407 11 163₂ 163₂ 163₂ +12 154 40 103 214₂ 215 211₂ 166 1.60 11 234, 234, 234, 160 157 494, 43 494, +12 160 17 494, 43 494, +12	Cape Inds
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UCB	Preussag	+1 Atlas Copco 99 + -8 Cardo (Free) 232 +	Bank East Asta., 22.8 -0.1	Sony         3,650         -80           Stankey         886         -10           2'tomo Bank         1,670         + 100           S'tomo Merine         965         + 1           3'tomo Merine         634         -           s'tomo Metal         152         -           Taihel Oemgyo         475         -	AminL1 .40a 14 AMegnt 4	133 314, 304, 314, +4, Converc 2.10 1 147 84, 94, 95, -4, Crucall 92 165 75, 7 74, +4, Cru53rr 500 2 35 17 164, 164, Cru53rr 510 2	10 27 27 27 27 22 11 11 11 -1, PK	malogn: 11 152, 152, 153, 1+2, 152, 40, 103, 212, 217, 217, 217, 217, 217, 217, 217	Geevor Tin 193 - 7
DENMARK	Rocenthel	-0.5 Cellulosa	Ghine Light, 11.6xa0.8 Evergo	Tainel Congyo	AMegnit 4 AMS 6 Antins 1.08 3 APhylip 6	8 >4 >2 >2 IComAm	153 44 4 4 -4 1	366 96 8 224 225 282 + 1 Main 400 48 224 22 22 + 1 Main 400 48 224 22 22 + 1 Main 46 84 70 8 - 2 Main 100 56 304 305 305 1 mint 160 56 304 305 305 1 MC 5 1 452 325 325 325 + 1 C 5 1 452 325 325 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Horizon Tr'1 136 - 9 ICI
Dec. 8 Price i +o r Knr %	VEOL		HK Elect Fig		ASecC # 1.02 4	16L 17L 17L - La Comercia	140 51 61 85 +1 Fe	0ew 67 65 65 65 + 1	Johnson Matt 68 - 4 Lex Service
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D. Sukkerfab., 605 1 -20	Dec. 5 Price	SKE 171 +	5 Jardino Math 8.3 -0.2 New World Dev. 4.3 -0.0	Tokyo Eleet Pwr1,360 Tokyo Gas	Amarwat 45 Amgen 1 Amsk8 54e 5	8 194, 184, 18 + 4, Company 115 43, 44, 45, Company 8 204, 204, 203, -4, CCTC 245, 244, 243, + 4, CmpAs	201 8 24 24 -4 1	an 04 44 14 13 <sup>1</sup> / <sub>2</sub> 14	Royal B. Scot
De Danake Luft.,1,000 East Aviatic	Banca Com'le 14,900	+ or Sven Handledon, 190 + Swedish Mateh., 255 + Votvo B (Free)., 229 +	Dseas Trust 8k. 2.52 +0.0	Tokyo Style	Amgen 1 Amsk6 54e 5 Amped 60 8 Anedite .10 2 Antogic 6	5 54 54 54 . CotAut 1	113 AL 4 4 -L FOR	on A 06 123 124, 124, 124, Am 96 13 354, 264, 264, 150 1 1 154, 153, 153, 154, 154, mF 175 15 144, 144, -4, *	
GNT Hidg	Centrale 2,130 Credito Voresino- 3,551	-5	2wire Pac A	TOPAY	Anathi 40 Amaron 30 Andrew 9	57 0-18 0-18 0-18 T-12 (CMD0+) 2	44 44 44 Ho	ns 1930 2½ 2 2½ i	Janico .12 582 155, 153, 153, 153, -3, Jays 164 7⋅16 3 7⋅16 JanAm 30a 20 8 75, 8 +1,
Jyske Bank	Fint	Dec. 5 Price +	Wheel'k M'time., 1,46'	Toyo Selkan 835 -1	Andres 9 Apoges .12 1	0 5 5 5 5 + h m P 12 3	75 71 71 71 +1 FO	nur .10 55 6- 85 65 55	Jonetiki t 28 37, 39 35, -4 Jonet A t 45 31, 35 35, Josephsn 50 28 72, 74 74 -4
Smidth (F)	Invest	-6 Frs	JAPAN	Victor	AppleC 1 ApPle 5	1068 264 233 265 +12 OmTesk 05 2 7 264 270 254 OnTesk 05 2	29 144 144 144 Fu 70 442 44 44 Fu		Junio 31 21 <sup>1</sup> 2 210 211 Junio 31 21 <sup>1</sup> 2 210 211 Junio 201 66 1412 1414 1414 -
	Montedison 1,249. Dilvetti	-7 Bank Leu		Yamezaki	ApidSir 1	11 12 111, 111, −4, Creputa 1037 249, 233, 233, −42 Conta 1033 1342 135, 1352 +5, Create	54 8 59 59 -1 4 8 5 8 -1 64 3 25 25 GT	GG Ss 125 10 84, 10 +1, Max 3 134, 134, 184, -4	K-K. KAs 255 244 254 24 +12
FRANCE	Pirelli Co	-21 Ciba Geigy 2,526 + +8 do. Part Certa), 2,526 - -16 Credit Suisse	Alinomoto	SINGAPORE	ApiS wit 14 Archwe 33 ArgoSy 2 Aricis 80b 2	14 ls ls ls Gonzehr 1 17 424 4 4 Gropship 1 11 18 151s 18 Constan	8 812 84 64 -4 64 85 312 313 31 -4 64 55 11 1 1 63	maß 10 29 7½ 7½ 7½ cla 148 23 23 23	Kurnun .58 1 22½ 22½ 22½ -à
	do, Pref		50 Asabi Chem : 640   _91	Dec. 5 Price + or	Artel 1	35 20% 20% 20% Concret 3	302 0 81, 81, -1, Ge 131 254, 26 284, Gn	netch 393 3352 3212 33 -12	Kunter 160b 115 13 110 174 -12
Emprunt 443 1978 1,648 + 3 Emprunt 7% 1373 9,840 - 101 Accor 241 - 2.8 Ar Liquide	NETHERLANDS	Hoff-Roche 1/10. 8,850 Jacobs Suchard., 6,150 Jelmoli		Baustaad Hidgs 1.88 + 0.01 Cold St orage 2.68 -0.02	Astrosy 10 Atcor 40 1 AtlAns 405 1 Atlans 80 40	01 512 578 5% -% CCap5 3.38 143, 143, 143, +12 ComPor	133 254 29 254 +4 Gn 5 74 74 74 Gn	Maar .10 13 1312 1312 1312 -1	Kaydon 73 67, 69, 67, +1, Kaydon 3859 79, 19, 19, 19, Kayno 1.80 46 429, 429, 429, -1, KyCall 80 195 815, 371, 372, -1,
81C	Dec. 5 Price	Jelmoli	Gasio Comp	085	AdiFin 2	165, 165, 165, 165, CnPape s 128 7 274, 27 274, ConsPot ,08s 9 54, 57, 574 3 302, 294, 305, +1, Consul 3 302, 294, 305, +1, Consul	2 5 5 5 Ge	18% 559 84 55 55 85 15 15	KyCnLL 20 135 515 315 315 315 315 Kawax 52 5 45 45 KayCm 184 77, 77, 73, +3 KayCm 8 2 54 2 8 -3
8IC	ACF Holding 183	- Sandoz (Bri	5   Oai Nippon Ptg: 1,000   10	Hong Leong Fin. 3.1 +0.04 Incheaps Bhd 2.44 +0.05	Austron 3	167 9%, 65 8 Conteni 2 17 4 33, 3%, Catter 4	67 41, 4 4 Gig		Kinders .06 647 14 135 135 -4 Kinders .06 647 14 135 135 -4 Koss 12 13 14 14 -4
Club Mediter'n "1,045	AEGOH	-3 Sika	Ebara	Malay Banking 5.8 +0.1 Malay Utd, Ind 2.47 +0.59	Atwelfor 1 AugTrT 1 Automo: 35	5 6 74 74 Cilaar 5 8 7h 7 7 - h Cilaar 5	5 64 69 69 -4 60	NPD 323 (% (*) /% )	Knoy 06 182 13% 12% 12% -2 Knugr s 32 1786 130, 11% 13% +1%
Cofimeg	AKZO	-4 Swiss Bank 1,029 +4 Swiss Bank 361 + -1.1 Swiss Reinsce 6,000 +1	Full Bank	Multi Purpose 0.89 +0.09 OCSC	Auxion 12 AvnrGr 12 Avntek 11	8 7 <sup>1</sup> <sub>2</sub> 7 7 - 4 Compt 2 28 8 41 41 41 - 4 Convrot 2 22 16 15 <sup>1</sup> <sub>2</sub> 18 <sup>1</sup> <sub>4</sub> - 4 Convrot 2 09 20 <sup>1</sup> <sub>4</sub> 19 <sup>1</sup> <sub>4</sub> 20 <sup>1</sup> <sub>5</sub> - 4 Coors 8 40 4 15 <sup>1</sup> <sub>2</sub> 19 <sup>1</sup> <sub>4</sub> 15 <sup>1</sup> <sub>4</sub> 20 <sup>1</sup> <sub>5</sub> - 4 Coors 8 40	24 3 27 3 Ga 190 151 151 151 -1 Ga	101 101 101 101 TA	L-L
Eaux  Gie Gen)  640	Bas Xalla Westm. 150	-2 Union Bank 1 570	Fulltsu         1,350         -30           0         Creen Cross         1,600	Public Bank         1.78           Sime Oerby         1.87           Straits Trd0         4.85           Tai Lee Bk         2.94           UOB	Average 14 Average 21 Azton 20 11	54 15 14 14% †*2 i Componi 9	97 31 30 304 +4 Gra 2 84 2 8 Gra		LDB/mak 68 75, 73, 73, +4, LJN 18 73, 75, 73, +4, LSILog 725 124, 113, 12 +4,
Elf-Aquitane	Callend Hidgs 31	-1.8	Helwa Real Est         978         +1           Hitachi         953         -6           Hitachi         053         -50           Honda         -30         -20		Azich 4	12 5 45 40 Condia 2 2 2 - Correst 2.08 1 B-B Corvus Convus	511 74, 74, 74, 64, 89 43 <sup>1</sup> / <sub>2</sub> 43 <sup>1</sup> / <sub>2</sub> 43 <sup>1</sup> / <sub>2</sub> +1, 64 222 34, 3 8 -1, 64 89 8 54, 55, -1 64 80 44, 14 4	WCs 32 f15 115 115 +3 1	LTX 144 184 169 167
Lafarge Coppee, 370	Fokker	-1.7 Dec. 6 Price +		SOUTH AFRICA		B - B 7 42½ 42 42½ +½ 48 2½ 2½ 2½ 6 3½ 54 5½ +¼ Cross 8 3½ 54 5½ +¼ Cross	10 10 <sup>1</sup> / <sub>2</sub> 10 <sup>1</sup> / <sub>2</sub> 10 <sup>1</sup> / <sub>4</sub> + <sup>1</sup> / <sub>4</sub> Gui	eni 232 16 154 154 ch 826 55 85 84 +12 ind 677 134 134 134 134 134	Leidiw 16 71 112 114 114
Legrand	Heineken	-1 AHZ Group 5.18 -	10.02 Ito, Yokado 2580 +1	Dec. 6 Price + or Rand	BAW Cb ,104 H BPI Sy 17 BRCom 45	74 2 13 14 +  Comet 5	440 2224 277 224 +	ch	Lincent .68 24 15 143, 144, 44 Lincent .60 356 131, 131, 131, -1
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Moulinex	Nedilovd 160.5	-3.9 Aust Cons Ind 1,79	.51 Jusco	Anglo Am Corp 23.9 -0.1 Anglo Am Gold 167 j Barclays Bank 18.5	Benciec 7	5 26-2 25 25 Cycare 7 7 64 54 2 12 105 104 105	DD He	Do 16 897 104 154 165 +12 C 0.660 10 72 76 74 -1 ers 51 127 129 127 co 28 55 5 5 1 +1 teon 38 24 24 24 -1	Langby .25a 5 54 54 54 Landan s .26 329 245 244 244 Landan s .26 329 245 244 244 Landan 933 74 7 74 Landan 91 135 13 12 -12
Petroles Frame 244 -6	Oce Grinten	-1.3 Aust Paper	Kirin, 515 +21	Barlow Rand	Bicher 2.84 30 Bichara 1 10 Banca G84 40 Barca 22	12 105, 101, 105, 0 574, 554, 554, -1, DBA 4 67 11 105, 105, -1, DEP 1 02 254, 254, 254, +1, DetaySy 2 2 8 8 8 DetaySy 2 50 24, 25, 25, +1, DetaySy 2 2 8 8 8 DetaySy 2 3 24, 25, 24, 24, +1, DetaySy 2 3 24, 25, 24, 25, 24, -1, 0 DetaySy 2 3 24, 25, 25, 25, 24, -1, 0 DetaySy 2 4 25, 25, 25, 25, 25, 25, 25, 25, 25, 25,	45 101, 101, 101, +1, Haz 13 71, 7 7 -1, Haz 800 251, 241, 25 +1, Haz 45 22 211, 22 +1, Haz 26 5 41, 42, -1, Haz	11 B 51 51 -4 17	Lewist 286 23 74 74 74 -4 Lexicon 1997 25 24 2 16-1 -16
Pougoot S.A.,	Philips	0.4 Bougainville	.02 Komatsu	Currie Finance 44 . Ont	BsTnA .15b 12	2 73 74 75 +4   Denten 19 5	5 BG 89 89 89 TH1	nčki 148 162 134, 139, 133, nG 240 25 294, 294 254 N s 1.60 96 254, 264 264 144	Liebri .07 25 201, 201, 201, 201, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1
Rousul-Uciof	Rol npo	-0.3   Brambles Inds	02 Kumagal	62.5 +0.5 Gold Fields \$A 98.6	BesArti 20 Bastil 80 21	50 24, 22, 27, 24, +4, Dameso 2 2, 74, 74, 72, +4, Dameso 1,3 97, 74, 77, 75, 75, -4, Dameso 2,4 1, 322, 324, 323, +4, Durio 2,4 4,3, 43, 43 1, 322, 324, 34, 44 1, 322, 324, 34, 44 1, 322, 324, 34, 45 1, 324, 34, 45 1, 324, 34, 45 1, 324, 34, 45 1, 324, 34 1, 344,	M2         151, 155, 155, -1, Hed           M2         151, 155, 155, -1, Hed           M3         94, 15, 155, -1, Hed           M3         94, 15, 155, -1, Hed           M3         53, 64, 54, -1, Hed           M3         54, 64, 64, -1, Hed           M3         41, 64, 64, -1, Hed           M3         42, 16, 11, 724, Hed	No 1,60 96 264 264 264 44 4 http://www.20 9 104 104 104 104 42 46 1.04 89 10 95 95 A x 1272 155 245 154 45 1	Layful 20 488 144, 143, 143, -4 Mart 200 189, 190, 190, +1
Selimeg	Royal Dutch	1.4 CRA 4.91   -0	11 Muakino Milling 1,820	Nedbank 13 OK Bazaars 15,35	BayBks 2,20 1 Bayby .12 45 BallNt 74 BachCf 4	43 43 43 DiSwitch 5 5 65 85 84 44 Juliouth 4 65 54 54 52 Dataca 54 55 52 Dataca	22 151, 155, 155, -1, Hat 262 94, 83, 94, -1, Hat 263 54, 65, 54, -1, Hat 27, 112, 112, 12, 14 21, 12, 112, 14 21, 12, 14 21, 15 21, 14 21, 14 21	A K 17272 133 1492 1304 +48 In 9 772 773 774 -19 Ing8 .10 33 184 19 1894 +4	LinoTet, 2 20, 53, 28, 25, 284, +4, Lindbrg, 16, 5, 42, 43, 43, 44, 44, 44, 44, 44, 44, 44, 44
Thomson CSP 373 -16 Valco 256 -5.5	West Utr Bank 197,3 -	-1,4   Castlemaine Tys.  4,39 ; -0   Coles (G.J.)	Marul	Protea Hidns 18 Rembrandt	Benhani 90 Benha wt 72	9 74 139 139 s Datumi 8 84 6 84 a Dawson	5 81 <sub>2</sub> 61 <sub>2</sub> 81 <sub>2</sub> Hol	an 9 71-2713 77-23 ang 565 3 24, 27,1-3 ang8 10 33 104, 19 104, +-1, 1059 12 12 19 194, 144, 194,4 μ1 25 775 75	Longe 1.25 /0 22 204 27 -14 Lotus 902 222 22 224
NDTES - Prices On this P	225 Br6 33 Quoted on	Consolidated Res 0.59	M LA CICC WORKEL 615	Rust Plat	BesiCp 22 BetzLo 1.20 76 BevitS 35	25 4 5 5 DetSh .15e 5 53 S44 34 34 -4 DecsD	169 104 105 105 166	nof 26 75 7 7 4 1 x 5 25 25 25 25 nof 84 16 324 32 32 ken 1.60 S142 4 11, 402 32	Lyndeni 20 201 <sub>2</sub> 20 201 <sub>3</sub> + 1 <sub>2</sub> Lypho s 552 12 147 <sub>8</sub> 151 <sub>5</sub> + 7 <sub>6</sub>

56065 Barrick o 174 165 174 + 4 3600 Equity Ser 58 8 8 - 1 39857 Outcomod \$51, 5 5 - 1 25958 Union Gas 3115 111, 111, - 1 1175 5 15 15 15 + 1 400 FCA int 3181, 181, 181, 280 2010 Detawa A 1 \$23 221, 221, 512 U Kano 8103, 101, 103, - 1	Bestor, 120       223 $\frac{1}{3}$ $\frac{1}{3}$ Double, 1, 20 $\frac{1}{3}$ Bestor, 120       761       344, 34       34 $\frac{1}{3}$ Double, 72       65         Bart, 13       35       11       104, 11 $\frac{1}{3}$ Double, 72       105         Bart, 13       35       11       104, 11 $\frac{1}{3}$ Double, 72       35         Bart, 14       13 $\frac{1}{3}$ $\frac{1}{3}$ Double, 72       35         Bart, 14       14 $\frac{1}{3}$ $\frac{1}{3}$ Double, 72       35         Bart, 14 $\frac{1}{3}$ $\frac{1}{3}$ $\frac{1}{3}$ Double, 72       35         Bart, 14 $\frac{1}{3}$ $\frac{1}{3}$ $\frac{1}{3}$ Double, 72       35         Bart, 14 $\frac{1}{3}$ $\frac{1}{3}$ $\frac{1}{3}$ $\frac{1}{3}$ Double, 72       Double, 72         Bart, 14 $\frac{1}{3}$ $\frac{1}{3}$ $\frac{1}{3}$ $\frac{1}{3}$ $\frac{1}{3}$ $\frac{1}{3}$ $\frac{1}{3}$ $\frac{1}{3}$ Double, 72	$ \begin{array}{c} 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 $	
12 Minute       P/Sis       Doe Pres.       12 Minut       P/	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	13       74 <td< th=""><th></th></td<>	

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### LONDON STOCK EXCHANGE

### MARKET REPORT

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#### RECENT ISSUES

EQUITIES

### Markets remain jaded in the wake of British Telecom Account Desiing Dates Option "First Declara- Last Account Dealings tions Dealings Day and Wall Street influences

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a backdrop of continuing fears about American economic pros-

Act already looking rather de-jected in the wake of the recent suphoria surrounding the British Talecom issue, was quickly re-flected in lower quotations for blue chip industrials as sellers made their presence felt in initial dealings.

blue chip industrials as sellers made their presence felt in initial dealings. Offerings were fairly light, and most quotations held steady around the cheaper levels until after-hours' dealings when early lower indications yesterday from Wall Street caused the tone to deteriorate further. Reflecting the trend, the Financial Times Ordinary share quiet and even good trading statements from leading com-panies such as BOC Group and Hanson Trust failed to generats much excitment; the latter, how-ever, showed to advantags lats on U.S. support which helped the index to close above the worst. British Telecom were again heavily traded, with institu-tional buyers still showing a keen interest to acquire stock. Clearing banks remained un-settled as talk of a possible rights

Declings tions Declings Day Nov 26 Dec 6 Dec 7 Dec 17 Dec 19 Dec 20 Dec 21 Jan 7 Dec 24 Jan 10 Jan 11 Jan 21 GRE, g lower at 675p. General "New-time" dealings may take place from 30 am two bishass days street, the Dow Jones Industrial Street, the Dow Jones Industrial and Hambro Life cheapened 5 index fell over 13 points against a hackdrop of continuing fears The UK'a largest brewery con-The UK'a largest brewery con-

a backdrop of continuing fears about American ecoonmic pros-pects, set the seal for another drah display by London equity markets yesterday. The transatlantic setback, which came on a domestic mar-ket already looking rather de-jected in the wake of the recent

Clearing banks remained un-settled as talk of a possible rights issue from Lloyds persisted. Elsewhere, some of the recent favourites encountered profil-taking as the Account neared its close. Government securities, in con-trast, beld up well, particularly index-linked stocks which have made the running over the last couple of trading sessions. Con-pervisional issues function of the stock which have couple of trading sessions. Con-trast la stocks which have made the running over the last couple of trading sessions. Con-trast la stock which have made the running over the last couple of trading sessions. Con-

Rec. Rec. Roc. Dec. Nov. Nov. year 6 6 4 3 30 25 ago Ordinary ..... 908,4 614,2 617.5 994,6 917.3 886.8 760,2 PIE Ratio (not) (\*) ..... 6.99 10.06 10.10 10.69 10.63 10.70 12.88 Total bargains (Est.) 24,036 24,695 25,684 - 20,045 50,114 53,105 Equity turnover £m. 486,28 611.60 529,67 276,04 318,57,207,68 Equity bargains..... 29,384 34,276 27,983 16,165 15,782 91,144 Shares traded (ml) ... - 345.4 478.5 448.5. 146.7 186.1 156.6 10 am 906.7, 11 am 907.4. Heen 907.2. 1 pm 907.2. 2 pm 906.5. 3 om 908.0 Basis 100 Govt. Secs. 15/1/28, Fixed Int. 1928. Erdinary 1/7/35. Oold Mines 12/9/55. SE Activity 1974. Latest Index III-248 8026. •Hil=6.67.

FINANCIAL TIMES STOCK INDICES

	15	84	Since De	mpliat'n	i ————	Bec.	Dec.
	High	Low	High	Low	Daily		
Govt. Secs	88.77 (8/1)	75.78 (86/7)	. 127.4 (1/1/55)	49.18	Olit Edged Bargains	160.6	130,1
Fixed Int	87.48 (14)5)	80,43 (50/7)	160.4		Bargains	SS2.9	826.6 1236.6
Drdinary	222.8	755.3	926.2		5-day Average, Clit Edged	1	
Ardinau y	(28)11)	(23)/)	X20111/041	170.01401	Bargains	143,4	138_

a gain of 7 at 80p, but sollers predominated in Snperdrag, 10 off at 385p, Foster Brothers Clothing, 5 lower for a two-day fall of 17 at 123p, and Body Shop International, 30 cheeper at 385p, the last-mentioned still reacting to be a structure of the structure of the structure of the structure to profitability, Speacer Clark Metals hardened a penny to 33p, but Edbro, oo the other hand, cheapeoed 5 to 113p following

Construction</ Against a quietly dull trend in miscellaneous industrial leaders, Hanson Trust advanced 11 to 278p in response to the better-than-expected 85 per cent annual profits increase and the proposed 50 per cent scrip issue. BOC touched 257p on the good preliminary figures hut drifted hack on lack of folinw-through support to finish a few pence easier at 257p Reachang gave up support to nnish a rew pen easisr at 252p. Beecham gave t 5 at 370p and Pilkington ease 3 al 305p; the latter's annu figures are scheduled for We nesday. Elsewhere, Cape Indu tries plummeted to 34p befor closing a further 10 down a closing a further 10 down the day at 37p, after comme

\$500, \$325 \$550 \$560 \$576 \$376 \$320 \$320 \$325

F1.360 F1.335 F1.350 F1.350 F1.300 F1.310 F1.320 F1.325 F1.335 F1.345 F1.345 F1.360 F1.355 F1.355 F1.350 F1.555 F1

F1, 360 F1, 320 F1, 140 F1, 130 F1, 200 F1, 170 F1, 100 F1, 100 F1, 68 F1, 60

FL 840 Fr.6500' Fl.50 Fl.55 Fl.50

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Construction of the statement. Setting a per la set 13 off at 167 p following the losses incurred by the 67.3 per cent-owned Cape following the losses incurred by the statements withdraw from all fibre insulation manufacture general instruments jumped 35 to 350p, after 375p, on news of the bid approach which com-pletsly overshadowed the poor interim results, while LRC rosse gestions. Pauls put on g to 2080 after the interim figures end Gestetner "A" gained 6 to 72p as speculative support revived. Revived fears of a new pack ags holiday price war following horizon Travel's decision to launch a revised summer i to 136p, while Infasm shed i to 138p. Elsewhere in the spane at the spone ato the good annual results and con-dent statement. Selfers again dominated in worther of the statement. Soliers again dominated in worther of the statement. Selfers again define addition mainly reflecting be the of the statement. Selfers again define addition mainly reflecting be shared and often substantiation overnight mainly reflecting be priced and often substantiation statement. Selfers again define addition the downture of Wall Street Conse-general and street downed the prestreet share by be the shared and often substantiation 10 on at 56 p, atter 595p, while Consolidated Geld Fleids dipped 10 to 487p and Hampion Areas 3 to a 1984 low of 157p. South African Gold shares were marked down sharply at the outset, reflecting substantial overnight U.S. seiling pressurs. Little husiness developed at the lower levels and prices held relatively sicady before staging a minor rally during the after-noon. However, closing levels were well below Wednesday evening quotations and the Gold Mines index gave up 8.5 more to 547.3. Bullion remained a quietly dull market and closed a net 25 cents easier at 330.5 an ounce, Austrelisms suffered wide spread and often substantiat losses in Sydney and Melhourne overnight mainly reflecting the downturo oo Wail Street. Conse-quently, London dealers merked Sellers again dominated in Motor sectors. Jaguar dipped a couple of pence to 215p, after 213p. Among Components, Lucas Industries succumbed downturo oo Wall Street. Conse-quently, London dealers morked prices sharply lower at the outset. Subsequent activity was generally confined to routine business and most issues rarely strayed from opening levels. Elscwhere, Cornish tin minor Geevor remained a depressed market and retreated 7 more to 1930 on further consideration of 213p. Among Components, Lucas Industries succumbed afresh to profitaking and eased 5 for a two-day decline of 8 at 268p. Dowty shed 4 at t7p, while AE, due to reveal preliminary figures next Thurs-day, gave up 2 to 102p. Distri-hutors highlighted renewed weakness in Lex Service which fell 10 for a two-day loss of 25 at 278p after adverse Press comment. Hartwells provided a rare hright spot, rising 4 to a 193p on further consideration of the recently anounced results. Demand for British Telecom

traded options huoyant, contributing 6,823 con tracts-more than half nf yes terday's grand total of 12,794. NEW HIGHS (39)

Gorino Kert ENGINEERING (2) Smith Whitworth Wagoo Inde, FOODs (3) Northern Foods Avana FOODS (3) Morthern Foods Mattnews JS.) HOTELS 72J Garfonkels Reen envirus Capital INOUSTRALLS 172 Cookson Sark Inds. TSL Thermal Synd, LRC Inti, Whatman Reeve AgL Lillicital Dewey Warren First Leisure MOTORS 111 Hartwelle

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#### FIXED INTEREST STOCKS

issu0 price £	Amount paid up	Latast Ronunc. date	1684 Hish · Low	Btock	Closing price L	<u>+ o</u> r
61.674 " " ;99.405 99.405 99.405 99.105 199.105	C30 P.D.D. F.F.D.D. F.F.D.D.D.D.D.D.D.D.D.D.D	10.4 .111 .12,12 .12,12 .24,1 .12,12 .24,1 .17,1 .17,1 .15,5  .11,1 .15,5  .11,1 .15,5  .12,12  .12,12       	341; 251, 19p 150 000 157p 110; 100 110; 100 1105; 1001; 1005; 1001; 35; 25, 29; 24; 651; 25; 100; 100; 100; 100; 100; 100; 100; 100; 100; 100; 100; 129 115; 100; 100; 100; 100;	Aberfoylo 8° Cnv. Unu. Ln. '65 African Dev. Bank 111 at Ln. 2010 Automated Sec. 5). Cnv. Cum. Red Pri. Elswick. Hopper 81. Cv. Cum. Pr. '02: 94 Estate Prop. Inv. 10% Cnv. Ved 99. Folkestone Waler 111 r. Red. Deb. 2004 Cabic Hse. Prop. 10% Cnv. Und. Ln. 55. 35 Cabic Hse. Prop. 10% Cnv. Und. Ln. 55. 35 Lowisand Inv. 111 r. 100. 2006 Intl. Bik. Jor Recon. & Oov. 1132. L. 2086 Lowisand Inv. 111 r. Oob. 2010. Nationwide Bidg. Soc. Birt Eds. 1111:85 Io. 104 '. Bds. 8. 1285 Hormans Gr. 8. '10. Cnv. Uns. Ln. 99 2004 Peel 10% Cum. Pref. 500 Racal Elect 7: Cnv. Uns. Ln. 1995 Racal Elect 7: Cnv. Uns. Ln. 1995 Racal Elect 7: Cnv. Uns. Ln. 2005. Swedsn 112, Ln. 2017.	3414 - 160 - 175p - 108 - 100 - 100 - 3635 - 100 - 100 - 55 - 106 - 100 -	

#### "RIGHTS" OFFERS

Issue orics	Amount paid up	Lalest Renunc, deto	128 	4 Low	Sto	ock	Closing price	+ 01
5	HI	14.18	10m	140m	Amalgamater	Estatos 6p	14 OM	-14
80 100	F.P. F.P.	16:1 13/12	B4 110	1041	Allwoods Cambrien & C	snoral	82 106	•••
S10 .	. F.P.	30/1	246	233	00.	Cap 712P	232 22pm	+ 5
143	811 F.P.	11.1	22pm 3412pm				51	
1	NI	18/1	1epm	11pm	Lifeonre in11.	Units t	11pm	
185	. HII	18:1 6:11	57pm			litax		<u>-</u>
5	Hij	30.1	113pm 234pm	2pm	Tranwood 5p	op		·

Renunciation date usually lost day for decling free of stamp duty. b Figures based on prospectue estimates, d Oividend into paid er payable on part ef capitel; cover based on dividend on full capital. g Assumed dividend and 6 Dividend and yield based on prospectus or other officiol estimates for 1983-83. H Oividend and yield based on prospectus or other officiol estimates for 1983-84. Q Gross, p Pence unless otherwise Indicated. 1 Issued by tender. [] Offered helders of ordinary shates as a "rights." \*\* (Issued by tender. [] Offered helders of ordinary shates as a "rights." \*\* (Issued by way of capitalisation. § Reinforducad, 1% (Issued in connaction with reotsmissation merger or take-over. **=** Allotmont lettera (or tully-paid]. [][] Introduction. & Unlisted Securities Merinet. § Placing price. T Figures assumed, 11 Official London Listing, Shares of no per value. ol no pai valua

OPTIONS ACTIVE ST	OCKS	5
First Last Last For Above everage activ	ity was a	noted in
Deal- Deal- Declara- Settle- the following stock		
ings ings tion ment	Closing	Day's
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Dec 3 Dec 14 Mar 7 Mar 18 80C		- 3
6000	435	+ 8
		<b>- b</b>
Lot rate interestions acc citte of Case lade	37	- 10
Shure Information Service Edimon Oil and Gen		
Money was given for the call Give wed Init	165	+12
of Polly Peck, British Telecom, GUS A	633	+ 8
Ollver Prospecting, Bula, Bar- Hanson Trust		+11
watt Developments O H Ballow Jaguar	215	- 2
Johnson Matthey, Acorn Com- Shall Transport		÷7

Metais hardened a penny to 339. Seatchi rallied to finish un-but Edhro, oo the other hand, changed at 895p on confirmation cheapeoed 5 to 113p following of the proposed one-for-three foures. Pegler-Hattersley gave state of the interim results and United Wire eased 4 to 113p With the exception of idle Publisbers, Rouledge and Hawker, which improved 2 Kegan Paul firmed 5 to 250p fel-forther to Allo.

EUROPEAN OPTIONS EXCHANGE

5,80

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TOTAL VOLUME IN CONTRACTS: 17,210

A=Ask

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5.60

Dec.

nary results scheduled for Mon-day, Reflecting the strong return to profitability, Spencer Clark Metals hardened a penny to 33p, but Edher on the other hand INTL. BANK & OVERSEAS GOVT. STLC. ISSUES (1) LCC SIDDEATION LOANS (1) LCC SIDDE FORBIGN BONDS (1) CAINESE SOC 25 BOVER CAINADIANS (1) Trans Canada Pire BUILDINGS (2) Berkeley GOULDINGS (2) Hocchet Hoechst STORES (21 Liberty N V ELECTRICALS (1) Liberty

Early's of Witney TEXTILES (2)

Early's of Witness TUTSTS (4) TRUSTS (4) Jos Hidgs. Caine Calibourgh Fd. Mgrs, Jos Hidgs. Example Invis. Falcon Resources Distant Fatty PLANTATIONS (1) Michael Russet Witness (1)

Charter Cons. MINES (1)

INSURANCE (2)

LEISURE 11

PAPER IT

NEW LOWS (29)

CAPITAL 0000 Building Stateria Costracting, Com Electroles (24). Mechanical Engin Metazi and Meta Motors (27). Other Ladustrial CONSUMER GR Brevers and Dist Food Manufactor	s (205) . s (205) s (23) struction neering ( l Forming staterials	(30)	of hate Na. 5424 4734 7085 1975	Chang % % =-0.1 151.7 150.5	e OMaz		Gross Div. Vield% (ACT at 30%)	Est, P/E Ratio (Net)	National Nico.	index No.	Index No.	ladex No.	Index No.
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Metais and Metai Motors (17) Other Industrial I CONSUMER GR Brewers and Dist Food Manufactor	l Forming		263.0	50 – U.	12.		4.85	9.48	265.74			266.26	207.77
Other Locustrial I CONSUMER GR Brewers and Dist Food Manufactor	laterials		155.6				7.89	8.38	156.31		158.61	156.45	169.5
CONSUMER GR Brewers and Dist Food Manufactor	SCONCE MELS	78	- 765.3			35	5.01	19.46	136.90		140.50	139.46	120.44
Brewers and Dist Food Manufactor	8UP (15	9)	580.5			96	4.62	12.12	583.60	583.87	586.47	563.77	459.7
	illers (29		- 538.				4.82	9.92	530.43	530.88	533.60		457.87
					12/		4.88	19.06	458.22	458.02	458.14	455.93	362.50
Food Retailing C	hold Pro	ducts (9)				90 91	2.78	19.87	982.23	990.52	996.08	990.87	741.00
Leisure (23)			647.3	6 -15	8.	64	4.81	15.11	654.94	664.09	667.11	661.89	5%.3
Newspapers, Pub	Isbing (	3)											1012.74
Packaging and Pa Storms (45)	wer (149							15.23			513.71	512.00	427.54
Textiles (19)			276.3	6 -1.6	24	43	5.05	7.98	279.48	260.23	282.61	280.86	249.97
Tobaccos (3)								717					464.7
								12 33		565.38			417.7
							4.79	9.51	671.08		676.28	672.43	621.9
Office Ecoloment	(4)												110.4
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				8 -0.5		~ ~ ~	4.88	12.38	578.47	579.53	583.80	568.02	460.2
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				8 -05	10.	62		11.42					499.8
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	(6)					_		_	469.98	473.99	474.37	474.37	334.19
			50.4	7 -14		- 1	4.99	-	551.00	553.32	549.53	547_16	497.89
annance (Comp)	sitel (7)							17.06					254.69
hisurance (Broke	າເມ (ຝ) 12)						4.95		212.82	213.07	212.73	212.73	219.27
			632.8	7 -0.6			352	25.02	636.85	636.81	636.63	632.10	535.16
Other Finance (17				_	_	81		10.31					261.61
								11.00					289.24
							6.58	12.35	594.46	598.75	597.14	575.68	487.32
		7		_		.	4.59	_	567.87	568.82	571.94	560.26	468.0
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	C INDE			the second se					1182.9	1183.8	1191.7	1181.3	
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DICES	6	140 yr	5		to date								9.91 9.67
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			110 11	_ 1	10.67	5	-	-			10.49	10.48	10.57
yeses				- 1		6	1 .	2			9.92	9.91	10.07
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er 15 years	142.47			-		18	- compon				10.05	16.64	10.17
redeemables	152.29	-0.21	152.61	- 1	1357	1ú	Irredee			t	9.64	9.61	9.67
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bestares & Louis .	100.71			<u> </u>		13			25 years				11.51
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i stocks	119-67	+0.02	230.65	- 1	2.44			i rate					3.16 2.99
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246.1           Stores (45)         246.1           Date cons (37)         259.4           Date cons (37)         59.4           Diffice Explorment (4)         143.5           Diffice Explorment (4)         143.5           Nitoceliameus (37)         1992.2           Rib Consumator (13)         974.4           Nitoceliameus (37)         1992.2           Rib Consumator (13)         974.4           Nitoceliameus (37)         1992.2           Rib Consumator (14)         109.2           Rechant Bonits (12)         61.8.3           Stormet (4)         109.2           Network (14)         264.2           Network (14)         264.2           Network (14)         272.9           Network (17)         264.2           Network (17)         264.2	Letsure (23)       647.16       -1.5         Newspapers, Publishing (13)       1386.97       -0.4         Stores (45)       256.97       -0.7         Stores (45)       250.97       593.34       -0.7         Differ Consenser (7)       593.34       -0.7         Differ Consenser (7)       593.34       -0.7         Differ Equipment (4)       143.66       +0.2         Differ Equipment (3)       740.55       +0.7         Micceliancous (33)       740.55       +0.7         Pitter Battorics (35)       440.51       -0.5         Nitoceliancous (33)       1992.40       -         Nitoceliancous (35)       404.54       +1.0         Nitoceliancous (35)       404.54       +1.0         Nitoceliancous (35)       404.34       +1.0         Nitoceliancous (45)       404.54       +1.0         Notoceliancous (45)       404.55       +1.0         Nates (5)       405.07       -0.4         Nates (5)       977.3	Letsure (23)         647.16         -1.5         8           Newspapers, Publishing (13)         1386.97         -0.4         8           Stores (45)         206.97         -0.7         13           Stores (45)         507.85         -0.8         7           Textifies (27)         503.34         -0.7         13           Differe Equipment (1)         503.34         -0.7         13           Differe Equipment (1)         503.34         -0.7         13           Differe Equipment (1)         343.66         +0.2         7           Shipping and Transport (13)         740.55         +0.7         7           Niccelianceus (33)         199.260         -1.5         7           Niccelianceus (35)         469.28         -0.2         -0.8           Niccelianceus (35)         469.28         -0.2         -0.8           Nicceliance (1)         306.67         -1.4         -0.8	Letsure (23)         647.16         -1.5         8.44           Newspapers, Publishing (13)         236.97         -0.4         8.85           Stores (45)         266.97         -0.7         13.66           Deter Consonier (7)         593.34         -0.7         13.66           Deter Consonier (7)         593.44         -0.4         10.34           Chemicals (27)         593.44         -0.4         10.34           Diffice Equipment (4)         143.66         +0.2         7.97           Stopping and Transport (13)         974.55         +0.7         7.98           Miscelianceus (33)         .975.38         -0.5         10.42           Miscelianceus (33)         .977.35         -0.5         10.42           Miscelianceus (33)         .977.35	Letsure (23)         647,146         -1.5         8.444         4.85           Newspapers, Publishing (13)         236,97         -0.4         8.25         4.98           Stores (45)         507,85         -0.8         7.87         3.453           Stores (45)         276,56         -1.0         14.43         5.05           Instances (37)         503,34         -0.7         13.464         4.40           Differ Consumer (7)         503,34         -0.7         13.464         4.40           Differ Consumer (7)         503,34         -0.7         13.464         4.40           Differ Consumer (7)         503,34         -0.7         13.464         4.40           Differ Consumer (13)         174,455         +0.2         7.97         5.33           Stopping and Transport (13)         174,856         +0.2         7.97         5.33           Mitocilameous (53)         744,551         +0.5         10.62         4.47           Rephone Networks (22)         644,53         -0.5         10.62         4.47           Replace Networks (23)         575,33         -0.5         9.05         6.35           Replace Networks (500)         -0.5         5.33         4.95         -1.4	Latzure (23)       647.16       -1.5       8.44       4.01       15.11         Newspapers, Publishing (13)       1396.57       -0.7       13.46       8.35       4.98       14.41         Newspapers, Publishing (13)       1396.57       -0.7       13.46       8.35       4.98       14.43         Stores (45)       507.85       -0.8       7.87       3.45       15.25       7.90         Tobaccos (3)       130.19       -0.3       13.554       4.74       7.17       13.46       4.03       14.25         Chemicals (17)       593.34       -0.7       13.46       4.06       12.33       13.51         Miccellaneet (3)       174.75       -0.4       9.46       5.33       13.52         Miccellaneet (3)       174.75       -0.4       9.46       5.33       13.51         Miccellaneet (3)       174.75       -0.4       9.46       5.33       13.52         Micellaneet (3)       174.75       -0.4       9.46       5.33       13.51         Micellaneet (3)       575.35       -0.5       9.98       4.08       12.46         Micellaneet (3)       575.35       -0.5       9.98       4.08       13.77         Micelphone Net	Lature (23)         647.16         -1.5         8.44         4.81         15.11         656.27           Newspapers, Publishing (13)         1396.57         -0.4         4.55         4.87         4.86         14.44         1392.41           Stores (45)         507.25         -0.7         13.46         4.88         4.52         270.47           Stores (45)         507.25         -0.4         7.87         1.65         15.23         511.69           Tobaccos (3)         274.48         5.45         -1.4         14.43         5.05         7.96         506.67           There Consumer (7)         553.44         -4.4         13.44         4.60         12.33         541.64           Dipolog and Transport (13)         774.655         +0.7         778         5.33         13.51         22.36         576.47           Riboling and Transport (13)         774.655         +0.7         7.98         5.57         1.425         14.34         14.25         14.34         12.236         576.47           Riboling and Transport (13)         774.655         +0.7         7.98         5.57         1.59         7.77         13.52         1.25         1.425         14.34         1.22.36         576.47 <t< td=""><td>Latter (23)</td><td>Labor (23)</td><td>Labor (23)</td></t<>	Latter (23)	Labor (23)	Labor (23)

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is wailable from the Publishers, the Financial Times, Bracken House, Cannon Street, London, ECAP 4BY, price 15p, by post 28p. The 43p taitial premium in British Telecom was responsible for a 1.38% increase in the All Share Index on Monday, December 3, 1984. Gamsón Bil

212p. Oscrola Hydrocarbons, a strong market over the past few days, edged up to 125p before easing to close a net 5 lower at 115p following news that the company has joined a bidding consortium for the UK ninth round of licence concessions. Osceola will have a 10 per cent

Oamson Dill BREWERS 11r Oavenport's Bismery STORES (3) Castle IG.B.? Forminster Catile IG.B. A formistic ELECTRICALS IGI CPU Camputers Pricon Microvites Security Tag 5, Microvites Workfore Info Workfa SNGINEERING IZ2

and Off & Miners, Moray Firth

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ransport ..... puter, Whittington Engineering, Sterling Guarantee Trust, Riley Leisure, Eglinton Oil and Gas Based on bargains recorded in Stock Exchange Official List. and Premier Oil. Puts were done in British Telecom and Johnson Matthey, while double options

WEDNESDAY'S British ACTIVE STOCKS

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PUTS

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#### CALLS CALLS PUT Fsb. May Aug. Feb. May Aug. Option Jan. Apr. Jly. Jen. Apr. Jly. Dotion Imperiel Cp. | 140 i\*170) | 160 | 15 i\*170) | 160 | 16 180 | 6 LASMD | 260 | 78 (\*548/ 300 | 60 330 | 45 360 | 23 30 10 10 117 132 67 06 95 62 28 33 5 16 360 420 460 500 560 - 2 4 -- 3 6 70 8 16 48 62 30 - 57 63 1225 8.P. 68 62 Cons. Gold: 460 (\*182) 500 550 600 650 60 22 10 2 1<sup>1</sup>2 110 120 130 140 160 Courtaulds (\*115) 6 312 112 012 1 160 180 200 \$\$0 \$3 7 4 21: Dem. Unic (\*177) 160 180 200 \$20 \$20 \$20 7e 53 32 13 6 G.E.C. (\*830) 880 33 300 15 350 5 360 a Brand Met. (\*3011 500 540 600 630 700 I.C.I. (\*666) 174 124 76 3e 0 280 280 300 330 Land Sec. (\*3001 45 25 11 3 100 17 110 0 120 44 130 8

LONDON TRADED OPTIONS

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ue. od ted igh	Osceola will have a 10 per cent interest in the consortium, while Egtington Oit will hold a 20 per cent interest; Eglington rose to	Bristel Monar Anglo
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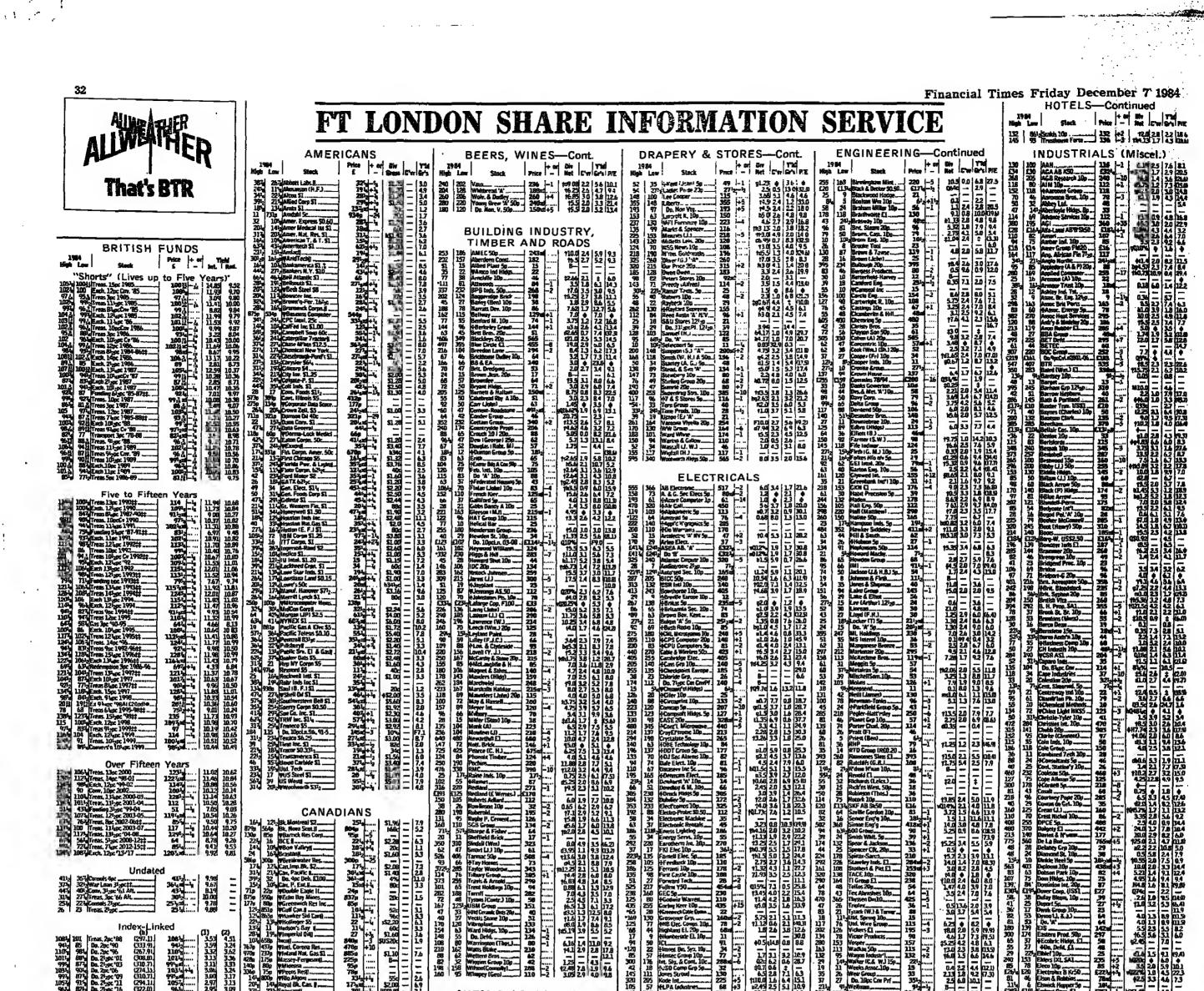
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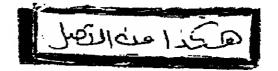


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1084         101         Treas, 2pc '88         (17)         120         220         194, 97 (mperial 04)         27         +3         51,60         -35           944;         85         Do. 2pc '90         (333,9)         944;	106       107       108       107       108       113       Washington (They)       115	satera Prot. 50p         227          16:5         5.6         3.1         6.0           Hop, Defd, 51                 Hop, Defd, 51          2.6          0              0           0
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INT. BANK AND O'SEAS GOVT STERLING ISSUES 949 825 design Der Bt 20 urc 1x 2009 947 d	[677]          [973]          [973]          [973]          [973]          [973]          [973]          [12]          [97]          [12]          [97]          [12]          [97]          [12]          [97]          [12]          [97]          [12]          [97]          [12]          [97]          [12]          [97]          [12]          [97]          [12]          [97]          [12]          [97]          [12]          [12]          [97]          [12]          [12]          [12]          [12]          [97]          [12]          [12]          [97]          [12]          [97]          [12]          [97]          [12]          [9]          [12]          [9]          [12]          [9]          [12]          [9]          [12]          [9]          [12]          [9]          [12]          [9]          [12]          [12]          [12]          [12]          [12]          [12]          [12]          [12]          [12]          [12]          [12]          [12]<	Dia         Prof.         5%         =         6.6.1           Nortet
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LOANS 370 260 Seconde MCEL 300d 27 200 - 87 - S444 259 Sec Pathe S10 - 200 - 87 - Building Societies 71 47 Smart SL Autor 43 - 45 - 102 - 576 440 Stand Guar SL 48 - 5 280 18 85 75	114         88         Resture (J) 'A'         103         143         3.4         2.9         4.7         10.5         507         115         VScccr. 7.0         512         1285         5         121         200         1144         kwit Save 10p         172ml-2         4.1         6.1         10.0         2.5         0.6         100         2.0         1.44         kwit Save 10p         172ml-2         4.1         6.1         10.0         2.5         0.6         100         2.0         11.6         11.5         7.4         3.6         Lemmos 6p. 10p         172ml-2         4.1         9.0         7.2         7.0         5.7         2.5         7.0         5.1         6.0         1.6         11.5         7.3         7.4         3.0         7.3         4.0         7.7         2.1         9.0         7.3         11.5         12.3         7.4         10.0         2.8         10.0         2.8         10.0         2.3         11.5         10.0         2.8         10.0         2.3         10.3         10.0         2.8         10.0         2.8         10.0         2.8         10.0         2.3         10.3         10.0         2.8         10.0         2.3         10.3         10.0<	State         3.52 24 (10.2)(4.0)           with (1)         56           single 24 Jan 50p         113           single 24 Jan 50p         110           sing
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1001; 99 10 11/0:15785	47       62 <td< td=""><td>Gamman         64:01         3.33         1.6         7.4         10.0           Gamman         672         1.4         2.2         4.3         13.0           ter-City 20p         29          1.4.25         2.2         4.3         13.0           ter-City 20p         29        </td></td<>	Gamman         64:01         3.33         1.6         7.4         10.0           Gamman         672         1.4         2.2         4.3         13.0           ter-City 20p         29          1.4.25         2.2         4.3         13.0           ter-City 20p         29
100%         9%         00110c1410105         100%         110%         110.74         10.25         124         124         127         100%         1005         1000%         100%	97       42       Feaster (C.S.L.)       62       -2       110       25       333       -10       177       05       277       05       210       140       feaster (C.S.L.)       210       140       feaster (C.S.L.)       210       140       feaster (C.S.L.)       210       140       feaster (C.S.L.)       210       110	Jandine M. (HCS2
Financial         BEERS, WINES AND           1034         94-5         1175         10.03         SPIRITS           1041         94-5         100-1100         11.00         11.00         10.00           1054         94-5         100-1100         11.00         11.00         10.00         SPIRITS           1057         77         Do. 11.00         10.00         11.00         <	or 242       242       243       242       243       212       310       201       212       315       50       144       147       157       242       213       201       318       00.1       33       224       243       245       144       147       157       242       213       201       318       00.1       133       127       212       331       11       -1       122       50       344       142       24       244       242       213       310       147       242       24       148       126       141       122       50       344       122       50       344       122       50       344       122       50       346       122       50       346       122       50       344       122       50       344       122       50       344       122       50       344       122       50       344       122       50       344       122       50       344       122       50       344       122       50       344       122       130       50       170       130       50       170       140       50       170       140       50       140	unda (1, 1)         100         100         17, 77         11.9           iemuzoo 100         28         20, 01         17, 77         11.9           iemuzoo 100         28         20, 01         10, 21         10.2           iemuzoo 100         28         7         10, 02         11.9           iemuzoo 100         28         -         20, 01         10.2           iego Tract 50         323         -         100, 75         49         7.8         3.2           iego Tract 50         323         -         00, 75         49         7.8         3.2           iego Tract 50         323         -         00, 75         49         7.8         3.2           iego Tract 50         -         325         -         00, 75         49         7.8         3.2           iego Trabar (AL) Sensite         -         340         1.2         6.9         10.7           iego Trabar (AL) Sensite         -         54         1.2         6.9         10.7           iego Trabar (AL) Sensite         -         54         1.5         1.6         7.3         10.9           iego Trabar (AL) Sensite         -         54         1.7         6.3 </td
194       195       100       110       1111       111       111	80       47       Fine An Dere, Sp	and 12       6.7       10.7         rrbms (Q) Sp.       275       +5       15.0       66       73       63.0         rrbms (Q) Sp.       105       55       15.0       66       73       63.0         P Hidgs       105       50       15.0       66       73       63.0         P Hidgs       10       74.0       1.4       6.4       15.0         H Grow 15p       13       -       -       8.6         C In 10p       13       +7       73.5       20       4.4       15.3         mass Hidgs       10p       13       +7       73.5       20       4.4       15.3         p Group 2p       17.0       13       2.5       2.9       19.1         retars int.       10p       27s <sup>-1</sup> -       -       1.4         retars int.       10p       27s <sup>-1</sup> -       -       1.5         retars int.       10p       27s <sup>-1</sup> -       -       -         retars int.       10p       27s <sup>-1</sup> -       -       -       -         retars int.       10p       27s <sup>-1</sup> -       -       -       -       - <t< td=""></t<>
FOREIGN         BONDS         & RAILS         28         10         Backer's Brew.	21       Warden factor function       130       11       121	Vectors Full. 100         27:87-1
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	146       060       Caratan       156       -       -       -       74       333-Conduct in. 10p.       68       -2       447.174       20       1.6       201.1       77       65       La         700       473       64.5       +48       16.0       11.3       10p.       375       217       APP 50c.       228       -2       11.252.3       10       70       40       28       Extrame 10p.       68       -2       447.174       2.0       1.6       28.1       477       65       La       70       40       28       Extrame 10p.       463       +80       16.0       31.3       51       127       249       -2       11.252.3       10       70       40       28       Extrame 400.p.       220       1.5.0       47.0       47.5       22.0       50       1.5.0       47.5       2.0       1.5.0       47.5       2.0       1.5.0       47.5       2.0       1.5.0       47.5       2.0       1.5.0       47.5       2.0       2.0       1.5.0       47.5       2.0       2.0       1.25       1.0       2.0       1.0       2.2       1.5.0       1.0       2.2       1.0       1.0       1.0       2.0       1	1. a math biffican       73       -1       14 bit 26 187 600         1. a math biffican       64       -20 146 21 1115         1. a math biffican       230       +6       17:5 35 47 147         1. a math biffican       230       +6       17:5 35 25 124         1. Cons 100       -1       125 28 123 (3.0       14         1. Cons 100       -24       -1       125 28 123 (3.0         1. Cons 100       -24       -1       125 28 123 (3.0         Vibar 100       -24       -1       125 124         cray Pis 210       -24       -1       125 124         cray Pis 210       -1       125 124       126 123         cray Pis 210       -1       127 13 16 123       127 13 16 22         cray Pis 210       -1       127 121 124       124 124         cray Pis 210       -1       -1       121 124       124 124         group Gray Pis 210       -1       -1       121 124       124 124         group Gray Pis 210       -1       -1       121 124       124 124         group Gray 210       -1       -1       -1       121 124       124 124         group Gray 210       -1       -1       -1       -1       -
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83       74       International Sectors       8550       102       102       103       101	234         110         Home Charm ID         231         -1         rt2 (1 ± 220         -38         3         Bartican Metric ID         3         B         -1         155         56         Pence of Wales         185         -3         (h12) 210         200 (LL0)         97         65         100           104         173         Do. 7pt.1s         197-04         2143         137         Do. 7pt.1s         197-04         2143         230         220         120 </td <td>Garment Hidig, 10p         28         51         39         10.3           rivy         90         -2         71.2         25         31         10.3           rivy         90         -2         17.2         25         31         10.3           rivy         90         -2         17.2         25         51         10.1           rivy         90         -2         71.2         23.6         3.4         6.4           rivs         91         71.2         3.6         3.4         6.4           riviati 's universal         50         -2         H         75         -5.0         15.0           a. Proc.RedW11         94         -1         71.2         3.6         15.0         -2.8         -</td>	Garment Hidig, 10p         28         51         39         10.3           rivy         90         -2         71.2         25         31         10.3           rivy         90         -2         17.2         25         31         10.3           rivy         90         -2         17.2         25         51         10.1           rivy         90         -2         71.2         23.6         3.4         6.4           rivs         91         71.2         3.6         3.4         6.4           riviati 's universal         50         -2         H         75         -5.0         15.0           a. Proc.RedW11         94         -1         71.2         3.6         15.0         -2.8         -

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	500         147         period to transmission         200         300         110           667         400         100         390	$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	1375         275         700         Prop. Parimetryling	1         466         344         Flemming Lamerican         476         -6         4.25         1.3           1         12         99         Do 7ac Crilin J 1999         112ad         -1         0.76         -6         1.27         16         4.1           223         130         Flemming Encentrate 50         222          77.5         1.0         4.1           234         228         Flemming Encentrate 50         222          77.5         1.0         4.1           314         228         Flemming Encentrate         288         -8         26.1         1.1         1.8           310         Flemming Encentrate         288         -8         26.1         1.1         1.1           310         Flemming Fieldgetmap         95          18.2.5         1.0         3.1           310         Greenming Fieldgetmap         95          1.0         3.0         0.9         0.1           310         Greenming Merchantie         1.04         -1         2.25         1.0         3.1         1.1         1.1           310         Greenming Merchantie         1.04         -1         2.25         1.1         3	15         6         YClarddil Energy         12         -5	MINES—Continued 3984   Stack   Proce   High Law Stack   Proce   High Law
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	G7         97         Mattern         100         -1         7.2         111         4           103         112         Harran         100         -1         7.52         11.4         12.5         11.5         12.6         12.5         12.6         12.7         12.6         12.7         12.6         12.7         12.6         12.7         12.6         12.7         12.6         12.7         12.6         12.7         12.6         12.7         12.6         12.7         12.6         12.7         12.6         12.7         12.6         12.7         12.6         12.7         12.6         12.7         12.6         12.7	$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	37         26         Treat of Prop. 50         37         1.00         12.2         27.1         13.3         -           555         440         Utd. Read Prop. 50         530         10.0         2.2         2.7         7.20	271 189 Hall Paulipi	E1514         E100         Number Of Coro         E114/-1a         202.5c         -         0.2         -         0.2         -         0.2         -         0.2         -         0.2         -         0.2         -         0.2         -         0.2         1.53         6.7         1.34         -         .         B.0         2.1         8.5         6.7         1.34         -         .         B.0         2.1         8.5         6.7         1.34         .         .         B.0         1.34         1.34         1.34         1.35         1.6         1.32         1.6         1.35         1.6         1.32         1.6         1.34         1.34         1.34         1.34         1.34         1.34         1.35         1.6         1.32         1.6         1.35         1.6         1.35         1.6         1.35         1.6         1.3	143- 6-200 160 WEaperton Marce
	36         24         Infrationater 59         35         103         037           108         B35         B710         Ecrop 10p         100         145         3.79         2.1           93         5.7         Reliation Writed         75         115         60         -0.7         5.2           118         80         Whance 0010p         80         -0.7         5.2         200         12.7         5.2           200         112         Rate Core         272         -7         10.0         1.4         6.7         5.7         3.7         10.0         1.0         10.7         5.2         200         10.2         5.2         7.1         1.0	14.0.8.9     Components       7.1 13.0.1     86     48       14.0.18.9     107     66       21.3 20.1     88     48       21.3 20.1     88     48       21.3 20.1     88     48       21.3 20.1     88     48       21.3 20.1     87     73       21.3 20.1     88     48       21.3 20.1     88     48       21.3 20.1     88     48       21.3 20.1     88     48       21.3 20.1     88     48       21.3 20.1     88     48       21.3 20.1     85     26       21.3     77     38       24.5 15.1     37     73       27     0     40       28     10.1     50       29     61     30       33     135     122       33     135     122       33     135     122       33     135     122       33     135     122       34     245     124       35     126     127       34     245     124       33     153     125       34     245     124       35	07         39         Watter Volter Inp.         70	Gray         G3         Lapan Assets 100	ICES         ICOI         Do. Back Vu 095-200.         ICI212-12         085-25.2[77.2]         -           145         120         Hone Scot Energy I.1         130         -	33     13     Wromstern Dir Galls
	25 188 Remove in: Y50 224 -2 025% a	103         104         105         104         105         106         106         117         24.4         117         25.4         27.7         6.3         24.4         24.4         24.3         27.7         6.3         24.4 <th24.4< th=""> <th24.4< th=""> <th24.4< th=""></th24.4<></th24.4<></th24.4<>	SHIPPING	100         100 <td>127         110         thethers Drilling         131          235         7.1         2         5.3           40         200         PCL Drilling         10</td> <td>42         31         Wangelitz Multi         42        </td>	127         110         thethers Drilling         131          235         7.1         2         5.3           40         200         PCL Drilling         10	42         31         Wangelitz Multi         42
	118         78         Recenter         93         -2         2.5         2.4           112         35         Mathim (DL&S) Ser.         76         0.1         -           250         215         Mathim (DL&S) Ser.         76         0.1         -           250         215         Mathim (DL&S) Ser.         76         6 dg.0.3         11           11         7         Rock 10p         10p         222         76         dg.0.4         12           40         20         Rock 10p         10p         225         -         -         -         -           20         Rock 10p         125         -         100         33         -         -         1         -         -         1         - <td>3.38         13.2         7.1         11.6         11.6         11.7</td> <td>61         66         Jacobs U, L132b         51         +1         93         65         8.7         677.23           720         3         Lot, 0'Seas Fritr         37         +1         63         8.5         8.7         677.23           112         27         Lye Stheping         23         +1         842.0         +         -</td> <td>420         307         Do. Can. 10p.         438        </td> <td>234   152 (#Hanne Di A\$522) 190 [-5   02.5c] (0.9 ] ]</td> <td>252         157         941 Million 50c         172         -3         Q56 07         20           43         30         Wilker-ends Exp Z5c.         31                    </td>	3.38         13.2         7.1         11.6         11.6         11.7	61         66         Jacobs U, L132b         51         +1         93         65         8.7         677.23           720         3         Lot, 0'Seas Fritr         37         +1         63         8.5         8.7         677.23           112         27         Lye Stheping         23         +1         842.0         +         -	420         307         Do. Can. 10p.         438	234   152 (#Hanne Di A\$522) 190 [-5   02.5c] (0.9 ] ]	252         157         941 Million 50c         172         -3         Q56 07         20           43         30         Wilker-ends Exp Z5c.         31
	14 442 Rotagniet Sp 6 6	124         43         3332         Convert (T.) 5p	47         4         Bearden Sm. 500	149         121         Biomis instea         246         -1         240         92           2b0         221         Biomis instea         250	12%         64 wOrlstore 10c	46         60         60         60         60         60         60         60         60         60         60         60         75         -1
	SD         31         Samper	15.8         146         87-2 (Centra Matter         104         6.512.5         8.7 (5.1)           3.0         -         -         -         -         -         -         -         6.512.5         8.7 (5.1)           3.0         -         -         -         -         -         -         -         6.512.5         8.7 (5.1)           3.0         -	46         37         Micealian, Sure 50         37mi-1         1301         15         17           195         140         Landeri Hin, 20p.         193         -2         Mir/9         37         15         103           133         70         Michael & Barton         92          410         15         15         103           92         70         Michael & Barton         92          410         15         15         103           92         70         Michael & Barton         92          410         15         103           92         100         Stantea & Barton         92          435         20.77         74           230         100         Stantea & Fister	159         1.23         Observay Smilt Markets.         155         -1         2.21         1.23           154         120         Do. 0.         152         +1         -         -           2b2         224         Elzenview         259         -1         405         1.22         2.4           625         525         Meyer S.A. SU31         550          0.70         -3.34           106         7.8         Meyer S.A. SU31          550          0.70         -         3.44         0.0           348         303         Meyer Maxim (m. Tst. 50p.         102          0.44         0.45         5.9           73         56         Meyer Daren (M Tst	33         21         .11Pernner Res.         21	230         150         Winnon 50t.         256         1-4         010C 04         2.7           265         145         (Pto 0+6)         255         -
	155         127         #Scampant Grp 5p         137         g1 p5 10           "252         135         Sentring Services	10         940         88         63         Western Motor	SOUTH AFRICANS 175 58 Abercara R0.30	30         21         Da. Cap.         20             15         II         Da. New Wrrs.         10             358         260         Niew Wrrs.         10             358         260         Niew Tokyo Im. Sop.         337          245           243         222         Nits. Altantic Sec.         276.	16b         119         2-2cl. Pert £1	Bit         Structure interaction         Fig. 1         Fig. 1         Fig. 1           42         12         PSpartners Explain         23         Fig. 1         Fig. 1         Fig. 1           32         10         Postan Res 7 Vot         11         Fig. 1         Fig. 1           43         12         Postan Res 7 Vot         12         Fig. 1         Fig. 1           43         29         Pittle Gactive Nit
	77         38         Sciential (Wm.)	9.8         8.3.80         3268         2858         Biristol Eve Post         3555	E127a         550         0xt         Barzam 50c         649	252         2130         Hintim, American         20304-1         6.01         9         35           155         126         Horthern Secs         153          12.67         11         1.6           129         97         Gauscin Inv	454         200         VS2centre Reth	286         180         Wesn Manues Str
	64         28         Sparrow (6, W)20p.         37         1-1         1.75         4.0           128         50         Sparrow (6, W)20p.         37         1-1         1.75         4.0           2050         13         Sparrow (16, W)20p.         37         1-1         1.0         2.3           2050         13         Sparrow (16, W)20p.         263         -2         1.0         2.3           175         85         #Sparrow (16, W)20p.         263         -7         th01.5         3.3           365         62         Starts, Posts.         88         -2.0         5.3         2.0         5.2         2.23         1.63         Do.10pcCm/HW1611         2.00	658         4.00         295         172         Hagnes Pub 20p         285         +5         ±71         1.2         6.0         183           1.3         40.0         173         138         Hence Counties Hidgs         136         5.0         1.0         5.2         26.6           -         -         172         138         Hence Counties Hidgs         136         5.0         1.0         5.2         26.6           1.3         27.7         510         362         Int. Thornsont         487	TEXTILES           302         265         Alfied Tertile         292         7.24         3.1         3.5         00.00           155         80         Autors Bros.         102	199         138         River Plate Def.         196         +1         16.5         10.47           16.16         15.39Robert (Siz) F10.         16.6         10.38 <td>117         12         VSannask Pet         20         -3             115         110         tfSan Uk9 Rojsty Ip.7         335              151         31         TR Exerty Rost         31              157         E33         Teaso 44 pc Cm         £63              26         135         Teaso 14 pc Cm         £63              201         166         Triconitrol         203         +3         10.0         22         7.0         63           450         26         Musch Res 1/5 0         38   </td> <td>275         155         Gapten Berked MS0 50 - 500         120          50.20         ♦ 38           20         575         Homptong, 100                    50         37        </td>	117         12         VSannask Pet         20         -3             115         110         tfSan Uk9 Rojsty Ip.7         335              151         31         TR Exerty Rost         31              157         E33         Teaso 44 pc Cm         £63              26         135         Teaso 14 pc Cm         £63              201         166         Triconitrol         203         +3         10.0         22         7.0         63           450         26         Musch Res 1/5 0         38	275         155         Gapten Berked MS0 50 - 500         120          50.20         ♦ 38           20         575         Homptong, 100                    50         37
1000 (2015) 1000	115         55         #Stantes lifetants, [-6, -5]         94.2         20.2           160         109         Std. Freworks         152	11.27         5.20         132         Numerical Bullectia 100, 1778         176         176         176         176         176         176         176         176         176         177         183         156           95         7.6         107         64         Material Bullectia 100, 178         106         -1         63         1151         123         253         3           4.7         8.2         500         385         News 144         50         -1         63         154         24         125         233         3         5         -1         63         154         34         24         124         125         -1         63         154         34         24         125         -1         63         156         -1         64         34         24         124         136         -1         63         138         69.0         133         138         134         134         134         134         134         134         134         134         134         134         134         134         134         134         134         134         134         134         135         135         135         133         146         13	B2         S5         Bulmer 6 Lumb 200         72ml         4.5         1.9         8.9         7.8           182         150         Burnates IDe         162          15.9         1.9         4.4         16.8           67         194         Carpets Int. 50p         24         -1         16.8         16.7         16.7         16.7         16.7         17.2         7.6         7.6         7.6         7.6         7.6         7.6         7.6         7.6         7.6         7.6         7.6         7.6         7.6         7.6         7.6         7.6         7.6         7.6 <td< td=""><td>216         155         Schemate Ind         213        </td><td>501         213         Witzamar</td><td>365         250         Current Bes 301         275-dl        </td></td<>	216         155         Schemate Ind         213	501         213         Witzamar	365         250         Current Bes 301         275-dl
An Anna Anna Anna Anna Anna Anna Anna A	93         64.         Samehill Hink         89         -3         c3.0         0.9           252         230         Samilybi Serv: 10p         225         -3         17.0         1.8           *32         20         Samilybi Serv: 10p         20	Image: Paper 1         Paper 2	264         185         Descen Intramment         256	206         146         Scot, National         200ml-4         4,251         1,1,30           117         96         Scot, National         102         -1         3,285         1,1,42           494         386         Sec, Alliance 7s	29         14         2xttmetck (Thurs 1 200)         23         -1         0.5         ♦         3.1         Φ           104         67         Boustead 10p         78         -1         10.5         4         -         -         1         11.5         -1         40.5         -         1         -         1         -         1         -         1         -         -         -         -         1         -         1         -         -         -         -         -         -         -         -         1         -         -         -         -         -         1         -         -         1         0.5         -         3         -         -         1         3         -         1         -         1         3         -         1         0.6         1         1         0.6         1         1         0         1         0         1         0         1         0         1         0         1         0         1         0         1         0         1         0         1         0         1         0         1         0         1         0         1         0         1<	75         31         Wanglo Unit. Der
2 2 24 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	62 56 #Thester (Eliza) 5p 60 u2.89 24 192 120 #Tod (W: & L) 5p 164	50         13.6         235         155         Berrore immune         166         5.7         11.6         18         9.4         7.3           102		184         143         SPR.IT Cap. 100         282         -1 <th< td=""><td>"410         25-1426         Wm.         31         -2         1.01         4.6         4.6         7.8           173         105         Fambo         53         -3         19.0         15.8         49.0           83         51         Messo invess         67         -3.5         -84.19.0         -4           49         33         Genom Wrss, 200         -4         -1         2.95         11.92         135.1           152         90         Par son, 25ch, 100         138         -1         5.15         42         5.3         48           152         103         06 'W NV 100         138         -1         5.15         42         5.3         48           152         103         06 'W WV 100         136         -3         5.15         42         5.3         4.8           152         103         06 'W W 100         136         -3         5.15         42         5.4         4.7           305         207         WEA Meds         300          10         41.0         5         40</td><td>245         135         tritle/site/site/site         266        </td></th<>	"410         25-1426         Wm.         31         -2         1.01         4.6         4.6         7.8           173         105         Fambo         53         -3         19.0         15.8         49.0           83         51         Messo invess         67         -3.5         -84.19.0         -4           49         33         Genom Wrss, 200         -4         -1         2.95         11.92         135.1           152         90         Par son, 25ch, 100         138         -1         5.15         42         5.3         48           152         103         06 'W NV 100         138         -1         5.15         42         5.3         48           152         103         06 'W WV 100         136         -3         5.15         42         5.3         4.8           152         103         06 'W W 100         136         -3         5.15         42         5.4         4.7           305         207         WEA Meds         300          10         41.0         5         40	245         135         tritle/site/site/site         266
	137         107         Tenstelli R.W         133         7.5         3.5           140         73         Tenstelli R.W         115         2.25         3.3           320         199         Tradadgar N. 20p         309         -5         100 ford           114         84         Transport Dec.         10472-25         100 ford         104           114         84         Transport Dec.         747         77         7	22 (49 123 83 Char(Return) 90	120         66         Lytes IS-220p         78	76         59         ITR Carly of London Tst.         74         -1         N3.11         106         101           146         123         ITR (and & General and 139         -1         1335         0.9         1.4           250         220         TR Natural Resource.         235md-2         7.5         1.1         4.6           176         132         TR North America	High Low Stock Price - Net Cwr Grs	NOTES Unless otherwise indicated, prices and net dividends are in pence and drinominations are 25p. Estimated priorizamings ratios and covers are based in latera annual reports and accounts and, where possible, are updated on half- cardy ligners. PE's are calculated on 'beet' dividuation bank, earnings per cardy ligners.
	100         c5         Tummer 6 Nem. 61	1.5         [1.4]         500         [2.5]         Bacopous         4.90         4.37         9         1.48         9           3.9         (6.4)         87         (6.8)         Ferry Fick (10)         70         52         2.81         7.9         9.4           3.9         (6.4)         87         (6.8)         Ferry Fick (10)         70         54         7.28         4.7         9.4           3.2         (4.3)         9.3         235         Friedde (6.0, 10)         .96         +5         14.62         2.1         1.9         9.4           3.1         143         113         Ferror Ficks (10)         .96         +1         9.02         2.4         4.8         9.7           4.3         9.0         1.50         85         Geord Fickstimes 10.0         .27         8         4.07         18         3.9         10.8           4.3         9.0         1.50         8.5         Geord Fickstimes 10.0         .27         8         6.78         2.17         1.01         6         3.3         4.7           5.1         (6.10)         1.27         8         Fittigere (120)         .20           0.24         3.3	116         65         Paritime' N'	123         98         TR Trastess Corpn.         120         -2         3.4         1.8         4.0           106         86         Trengte Bar.         104	Rubbers,         Paim Oil           217         124         Augho-Indexes's         215adi           -23         4         Augho-Indexes's         215adi           -27         127         Ferram 105         130           1127:         64         Cons. Plants MS0.5.         102           1127:         64         Cons. Plants MS0.5.         102         +2           128:         84         Cons. Plants MS0.5.         102         +2         vijke Cl.1         8.4           129:         64         Cons. Plants MS0.5.         102         +2         vijke Cl.1         8.4           120:         64         Cons. Plants MS0.5.         102         +2         vijke Cl.1         8.4	have burg computed on profit after satisfien and unreleved ACT where explicitly brokered inputs underse to bore toon or mone difference if satisfiant on "mill" distribution. Geners are based on "stationare" distribution; this compares group, development costs to profit a first basedon, actually reacrytional profile/source base including structure extent of offsetsable ACT. (relefs are based on mobile proces, are groups, adjested to ACT all 30 per sent and allow for volve of declared distribution and replits. — "Tay Stack".
4	182         110         № W. W. Thermus         111         -2         3-25         22           172         109         Valor         -         140.01         140.01         140.01         140.01         140.01         140.01         32.01         140.01         32.01         140.01         32.01         140.01         30.01         140.01         30.01         120.01         120.01         120.01         120.01         120.01         120.01         120.01         120.01         120.01         120.01         120.01         120.01         120.01         120.01         120.01         120.01         120.01         100.01	1.0         4.3         113         78         70 <th7< td=""><td>27         7         Specter (Ce 1         1002         30.1         1         -</td><td>149         123         Trans. Oceans</td><td>113         77         Pitiphizadi MSOC         94        </td><td><ul> <li>Highs and Lews marked this have been adjusted to allow for rights issues for cach.</li> <li>Interim sunce increased or resonand.</li> <li>Interim sunce reduced, passed or deterred.</li> <li>Tast-ree to non-resultances on applications.</li> <li>Figures or report menticed.</li> <li>Not officially UK listed; dealways permuted under Rule 535(4)(a).</li> <li>USM, mol listed on Stock Eacharge and campainy not subjected to same</li> </ul></td></th7<>	27         7         Specter (Ce 1         1002         30.1         1         -	149         123         Trans. Oceans	113         77         Pitiphizadi MSOC         94	<ul> <li>Highs and Lews marked this have been adjusted to allow for rights issues for cach.</li> <li>Interim sunce increased or resonand.</li> <li>Interim sunce reduced, passed or deterred.</li> <li>Tast-ree to non-resultances on applications.</li> <li>Figures or report menticed.</li> <li>Not officially UK listed; dealways permuted under Rule 535(4)(a).</li> <li>USM, mol listed on Stock Eacharge and campainy not subjected to same</li> </ul>
	143 125 Windshim's 5a	27         723         *137         104         Norton Opas 109         125	172         93         Transance         113         +6         502         4/2         502         4/2         502         4/2         502         4/2         502         4/2         502         4/2         502         4/2         502         4/2         502         4/2         502         1/2	99         60         Winterforction 59         942         -12         90.7 [12] [1].           138         110         Winterforction 59         135         -12         125           34         22         Da. Warrants         28         125         10         27           23         207         Presentation         283         -12         125         10         27           23         207         Presentation         283         -12         13         12         12         12         12         12         12         12         12         12         12         12         12         10         12         12         12         12         12         12         12         12         12         12         12         12         12         12         12         12         12         12         12	295 222 Plantacion & Gen Inns. 277 [ 5.0] 31 26 392 299 MyMamcon £1	depre of regulation as inset security. 7 Debit in under Rate S2503. 6 Price at Unev of suppression. 1 inducted divident atter pending scrip and/or rights issue: cover relates to previous divident or ionecast. Mergre bid or reorganisation in progress. 5 Anne underwis: reduced land and/or reduced examines indicated.
4- -	215         143         William (1)         170         -5         4.33         0.4           11         4         FWIlliam (2)         5	3.6	312         175         BAT indt.         310	327         268         Abingworth 10p	Central Rand	Forecast dividend; cover my animanys updated by latest interval suscement. Cover allows for connervoir of shares one new making for dividends in reaching only for restructed dividend. Cover does not allow for shares which may take rank for dividend at a future fister. No P/E rasis essaily provided. Are beingten Frants. Fr. French Frances. 64 Vield based on assumption freasony Bill Rate stays succharged grill network of society and free.
	INSURANCES	PROPERTY 18 127-fAtero terr 154-1-2 0.11 25 1.0 448.8 106 183 Allier Landon 109 126 1.7 3.2 2.3 [04.8]	Investment         Trusts           140         120         (Aberdeen Trust	120         82         Außberty Im. 200         105           125           88         72         Rarber Milley, 100          83         +1         44         11.75         14.9           1432         9468arre in & Fiz 25g         134          -         20.5           511         100         Butchsmörg im 2         104          -         20.5           511         Else stort in 2         100         -         -         -         20.5           30         15         Beactrope 100         18         -         -         -         -           150         95         Veint im 2.1         110         -         -         -         -         -         -         -           150         95         Veint im 2.1         110         - </td <td>Interference         Eastern         Rand           271         154         Bracker 902         158         -15         0582         16.1           572         275         902cm Moffue 5c         405         -13         0032         9         1.4           415         210         East Days R1         236         -11         -3         -3         0.35         9         1.4           2096         L13/desum Time Co. 50c         C177.1         409         ERG0 R0.50         5.5&lt;</td> <td>I regard hazed on programma or other other resonate, a Certa, a Constant rate and/or projuble on part of capital, core hazed on obtained on half capital. References on part of capital, core hazed on obtained on half capital References on the start of the start of the start of the start of the Reference of the start of the start of the start of the start of the Reference of the start of the start of the start of the start of the Reference of the start of the start of the start of the start of the Reference of the start of the start of the start of the start of the Reference of the start of the start of the start of the start of the Reference of the start of the Reference of the start of</td>	Interference         Eastern         Rand           271         154         Bracker 902         158         -15         0582         16.1           572         275         902cm Moffue 5c         405         -13         0032         9         1.4           415         210         East Days R1         236         -11         -3         -3         0.35         9         1.4           2096         L13/desum Time Co. 50c         C177.1         409         ERG0 R0.50         5.5<	I regard hazed on programma or other other resonate, a Certa, a Constant rate and/or projuble on part of capital, core hazed on obtained on half capital. References on part of capital, core hazed on obtained on half capital References on the start of the start of the start of the start of the Reference of the start of the start of the start of the start of the Reference of the start of the start of the start of the start of the Reference of the start of the start of the start of the start of the Reference of the start of the start of the start of the start of the Reference of the start of the start of the start of the start of the Reference of the start of the Reference of the start of
	2011 (1791) Usiam Vers 19850	0.9 - 27-9 16 Wassmark Int 20	200         115         Ann Interstrets Fins.         223          80         103         31           647         573/Astrings in res.         61/szt          841/szt          8/9         9/9         19.5           214         156         Do. Cap.	Little 10% D0.%cC/040 *02_b105	1113         623         Graticité 25c         819         -16         01455         9.0           1113         623         Graticité 25c         617         -5         01955         10           255         167         45         017         -5         01955         10           255         167         455         057         127         10         10           256         167         455         127         136         149         127           358         547         458         -117         1506         0147         13.3           589         258         5.47         10.35         258         13.3           242         138         Mathematic 35c         149         -14         0400         0.9         1.8           2465         124         Montelmatic 10.         127         136         0400         0.9         1.8           246         128         128         127         -14         0400         0.9         1.8           226         124         Montelmatic 10.         127         -14         0400         0.9         1.8           226         127         128         -5	Inter table. We PVE ratio socially provedu. No par value. Life, Belgian Francs, Fr., French Francs, #5 Weld based on assumption remains Bill Rate stays workshaped entit measurity of stock, a Tax Free, Figure hasted on prospectors or obser offer existents, a Constant and the remains Bill Rate stays workshaped entit measurity of stock, a Tax Free, Figure hasted on prospectors or obser offer existents, a Constant and Redemotion yield 1 Frai stock a Assumed ordination and yield. A Assumed inside all and yield after scings use, J Powneer I inno. agaits Source's A Konyt. In Interim Implete that a revelue statul. In Register based on provide yield after start a mount provides a transfer of the result of the provide and interim implete that a revelue to previous dendered. PVE ratio based on interim annual provides and provide the provide and yield after straines. To Subject to local I as. a Disstend cover based on provide yield after straines. The provide and yield based on prospectars. A field dondered and interimets to the table of and yield based on prospections worker of itcasi straines for 1994. K Figure Based on prospectus worker official estimates for 1994. Il Durderent and yield based on prospectus worker official estimates revelop instraines. The Disker and yield based in prospectus worker official revelops instrate. B Disker and yield based on prospectus worker official estimates for 1995. Provident and yield based on prospectus worker official estimates for 1995. Provident and yield based on prospectus worker official estimates for 1995. Provident and yield based on prospectus worker official estimates for 1995. Provident and yield based on prospectus worker official estimates for 1995. Provident and yield based on prospectus worker official estimates for 1995. Provident and yield based on prospectus worker official estimates for 1995. Provident and yield based on prospectus worker official estimates for 1995. Provident and yield based on prospectus er official estimates for 1995.
	224         132         Example & Law 10         232        2         4.5           640         230         FAM loarnaces \$40,500         646         +5         9354         =           537         625         Gen. Accident	222         ●         139         111         Britom Estate         150         110         1111         <	157         114         Arstynestics Scot. Imr	947         362         Eaco Im. 10p         335	528- 520-2 Drefottes RI	1955-66. Il Dividend and rivit based an prosectos or other official estantairs in 1965 P Finaris based an prosector or other official estantairs (brows T Finaris hasened. 2) Divident divident to other. Interventions: it is divident at en scriptische other, apital distribution. REGIONAL & IRISH STOCKS
	615 437 London & Man	171         111         555         190         EALA 500         550         min.521         9         22         9           4.3         14.4         155         124         Clarks Michaells         135         55         0.0         1.9         555         0.1.0           3.7         15.7         300         255         Compate Hidts 20         340          4.3         4.4         1.0         18.0           4.4         10.9         160         45         Compate Hidts 20         92	100 116 Barder & Silm, 10p 147 -1 33 11 32 100 79 Brt. Am. & Gen	305         High Arr         237         High Arr         247         110         477         247         110         477         247         110         477         247         110         477         247         110         477         247         110         477         247         110         477         247         110         477         247         110         477         247         110         316         833         83         83         640         555         field f	640-a         627         Ricol Gold R2         633-a         117         43           6254         D164         Ideatore R1         623         44         52         52           1645-a         Statute R1         623         44         52         52         52           1645-a         Statute R1         623         44         87         52         52           1645-a         Statute R1         64         63         4         63         4         10         1           1124-b         Statute Statute Statute R1         944         4         631         14.9 <td< td=""><td>The following is a selection of Regional and Inshi stacks, the latter being quoted in Inshi surrenzy.         Quoted in Inshi surrenzy.           Wanny Inr 20p         84 in the formation of Regional and Inshi stacks, the latter being quoted in Inshi surrenzy.         136 in the formation of Regional and Inshi surrenzy.           Wanny Inr 20p         84 in the formation of Regional and Inshi surrenzy.         136 in the formation of Regional and Inshi surrenzy.         136 in the formation of Regional and Inshi surrenzy.           Value State State         62 in the formation of Regional and Inshi surrenzy.         64 in the formation of Regional and Inshi surrenzy.         126 in the formation of Regional and Inshi surrenzy.           Waller State State         62 in the formation of Regional and Inshi surrenzy.         65 in the formation of Regional and Inshi surrenzy.         65 in the formation of Regional and Inshi surrenzy.           Wall State Line 105 in the formation of Regional and Inshi surrenzy.         13 in the formation of Regional and Inshi surrenzy.         15 in the formation of Regional and Inshi surrenzy.</td></td<>	The following is a selection of Regional and Inshi stacks, the latter being quoted in Inshi surrenzy.         Quoted in Inshi surrenzy.           Wanny Inr 20p         84 in the formation of Regional and Inshi stacks, the latter being quoted in Inshi surrenzy.         136 in the formation of Regional and Inshi surrenzy.           Wanny Inr 20p         84 in the formation of Regional and Inshi surrenzy.         136 in the formation of Regional and Inshi surrenzy.         136 in the formation of Regional and Inshi surrenzy.           Value State State         62 in the formation of Regional and Inshi surrenzy.         64 in the formation of Regional and Inshi surrenzy.         126 in the formation of Regional and Inshi surrenzy.           Waller State State         62 in the formation of Regional and Inshi surrenzy.         65 in the formation of Regional and Inshi surrenzy.         65 in the formation of Regional and Inshi surrenzy.           Wall State Line 105 in the formation of Regional and Inshi surrenzy.         13 in the formation of Regional and Inshi surrenzy.         15 in the formation of Regional and Inshi surrenzy.
	552 355 Royal 324 210 Sedawet Gran 10p. 518 -1 14.0 22 200 2128 RState Burrill J.10p 250	56          77         52         Constry Proto         69          1.63         3.3         1.24         12.4           55          526         2.05         1.03         1.31         12.4           55          2.60         2.00         Constra Proto, Srp         2.55          7.55         3.13         3.12.4           55          3.25          3.15          1.25         3.17         3.17         6.9           6.2          1.22         7.2         Data Dary Constit          903          1.25         3.7         3.7         6.9           5.4         1.7         25         Data Dary Constit          903                  1.35         0.4         10.7          1.35         0.4         10.7          1         1         1.36         4         1         1         1         1         1         1         1         1         1         1	333         263         Brnt. Invest	38         19         Restach Tst. 5p	544         325         Messem Arnas RI         421         31         5.2           16450         524         Messem Arnas RI         6351-4         22.2         2         2           100%         735         Zaschart RI         940         -6         142         4         5.5	OH Sim 11
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	23         126 jkA & M Hirs 100         17		62 512Dance (inc.)	170         105         Park Flace: Inv 10p.         122         171         113.6         311         122.6           170         105         Park Flace: Inv 10p.         50         1.12         1.13         1.13         1.13         1.13         1.13         1.13         1.25         1.14         1.14         1.14         1.14         1.14         1.14         1.14         1.14         1.14         1.14         1.14         1.14         1.14 <th< td=""><td>252         145         Diarter Com, 2n</td><td>rtuent 2</td></th<>	252         145         Diarter Com, 2n	rtuent 2
	155         103         Nacolnali Helps, 100         111	1.7         1.0         1.6         1.0         1.2         2.1         2.5         1.1         1.1         1.2         2.1         2.5         2.5         2.1         2.5         2.5         2.1         2.5         2.5         2.5         2.5         2.5         2.5         2.5         2.5         2.5         2.5         2.5         2.5         2.5         2.5         2.5         2.5         2.5         2.5         3.5         3.5         3.5         3.5         3.5         3.5         3.5         3.5 <td>07         37/30/04/11 tile 30/04/11           990         720           163         240           205         163           206         163           205         163           206         163           206         163           206         163           207         172           40         172           163         240           172         172           172         172           172         172           173         172           174         172           175         172           172         172           173         172           174         172           175         172           172         172           173         172           174         11           175         172           172         172           173         172           174         11           174         11</td> <td>OUL AND GAS</td> <td>720 430 Rand London 15c</td> <td>Andrew Urg Urb         24         Utramar         22         1           Ref Curdent         22         Sears         59         1</td>	07         37/30/04/11 tile 30/04/11           990         720           163         240           205         163           206         163           205         163           206         163           206         163           206         163           207         172           40         172           163         240           172         172           172         172           172         172           173         172           174         172           175         172           172         172           173         172           174         172           175         172           172         172           173         172           174         11           175         172           172         172           173         172           174         11           174         11	OUL AND GAS	720 430 Rand London 15c	Andrew Urg Urb         24         Utramar         22         1           Ref Curdent         22         Sears         59         1
	154         99         PUTY Hold Vig	32         126         136         144         Mantanger Prop Ma.         138         -2         14         24         39.1           95         550         500         400         Nationary Ma.         138         -2         12.1         142         39.1         14         24         39.1           14         24         302         19         9161         130         -2         62.1         14         24         39.1           43         75.5         507         Max Inc Physics         285         -2         62.1         14         24         39.1           47         106.41         110         10         Sermin Broats.         60         +5         1.63         2.26         17.3         -2         15.2         2.1         2.6         2.6         7.7         -1         4.1         8.2         2.6         17.3         -1         1.63         2.5         1.55         2.1         2.6         2.77         -7         -4         1.6         2.6         7.7         -7         4.1         8.2         2.6         7.7         -7         4.8         2.6         7.1         5.4         7.2         5.2         7.2         7.2	69         577-Dualwerst inc. 200	'38         12         itim Gif Fits 20p         22	5374         5274         C280c         2.6         4.6         6           160         75         Wegets 21x         100         01.6         17.6         6           Diamond and Platinum         100         11.7         6.6         6         6         6           615         365         De Beers D. 5c         130         -1/2         0.500         1.0         6.6           615         365         De Beers D. 5c         750         1.0         1.6         6           925         700         0.4000         1.6         1.7         1.8         1.17         1.5         1.17         1.5         7           725         638         Lydenburg 12x         540         -5         6000         1.17         1.8         7           713         638         Lydenburg 12x         540         -5         6000         6.13         1.7         1.8         7           850         6.35         Hydenburg 12x         540         -5         6000         1.8         1.7           850         6.35         Hydenburg 12x         700         -5         6000         1.8         1.7	A selection of Options traded is given on the Landon Stock Exchange Report page.     "Recent issues" and "Rights" Page 27     "Recent is available to every Company dealt is on Stock rehanges throughout the United Kingdom for a fee of \$700 per anoum for each security.
4 4 4 4	60 35 (Hatter Farmer 100 137 158 96 (Hatter Farmer 100 137 15 76 (Machinister 100 137 270 138 (Hatter Mori 100 178) 271 15 (Historwale Les. 215 -10 025 28 271 15 (Historwale Les. 215 -10 025 28	621 (77 68 41) Marine Estates 21 (178 28 88 Marine Estates 11 44 -2 27 74 (23 57 17 (28 7 117 128 128 13) Marine Estates 11 (14 -2 127 74 (23 57 17 (28 7 117 128 12) 100 444aylair City Props 116 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	41 [ 30 Do. Warrati 32	64 31 (Berstel Oli & Mier	715 468 1.vdenburg 12 <sup>1</sup> x	zenanges Coronghoet the United Kingdown for a fee of \$700 per annum for each security.
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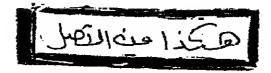
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34		Financial Times Friday December 7 1984	
AUTHORISED Unit trusts	FT UNIT TRUST INFORMATION SERVICE	City of Westhinkingtor Assurance         General Particle Life Ins. PLC           Sentry Race, 500, Avelary Backever, Control of Particle Sc. (Sentry Race, 500, Avelary Backever, Control of Particle PartiParticle PartiParticle Particle Particle Particle Particle PartiP	
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ACROSS 1 Now holding a spanner that's reduced in length (8) 5 The fool, having money re-	Image: State of the s	- Children of the state of the	
turned, starts wasting it (6) 10 Around mid-day switches streets (5) 11 Trust Rosco to be taken in by a prediction! (9)	12         13         12         12         12         12         12         12         12         12         12         12         12         12         12         12         13         12         13         12 <th13< th="">         13         13         13<!--</td--><td>- Ind. Per. Inde La. Scs., 121.1 127.4 +0.0 - Global Fines Miterret</td><td>900 (H 2 NI) 100</td></th13<>	- Ind. Per. Inde La. Scs., 121.1 127.4 +0.0 - Global Fines Miterret	900 (H 2 NI) 100
<ul> <li>12 Plan a series of performances (9)</li> <li>13 Fitting the apparatus with one kind of cable (5)</li> <li>14 Tease lad about being coarse</li> </ul>	14         15         16         12.1         17.0         75.4         -0.4         2.10         PD Tor 3, Krems Main over, Media 25, SP10 1PG         Free interment         11.6         12.2         12.2           17         10         10         10         10         10         10         10.0	Family Assumance Society Cat Person Series 2 128.3 235	
<ul> <li>(6)</li> <li>15 Gathers It may mean a court appearence (7)</li> <li>18 Falling behind with pipework (7)</li> </ul>	Murray European		
20 Back at homs in an effort to consume large quantities (6) 22 You are heard returning with doctor before a dance	48. Grazecharch SL, C.2 J SHN.         01.42.1 4200         Co. Accum         45.3         46.01         -0.3         24         Property         111.2         127.8           MP1 (Br) UP 12         -1.30         31.6         Target Flund Migrs Ltd         1000- United Introve L17.8         127.8           MP1 (Br) UP 12         -1.30         31.6         Target Flund Migrs Ltd         1000- United Introve L17.8         127.8           MP1 (Br) UP 12         -1.30         31.6         Target Flund Migrs Ltd         1000- United Introve L17.8         127.8           25         26         API 01 / 1.2         101.2         10.1         143.50         128 stateways Notes         143.35           26         API 01 / 1.2         101.2         101.9         11.3         149.2           26         API 01 / 1.2         101.9         102.9         131.3         149.2	Life Funds 103.5 109.0 40 1 - 770.5 179.4	
(5) 24 Post office (9) 25 Insect found in Black Rock Raving (9) 26 Comes to game after I get	Trapet Trast Missagers Ltd. (c)(y)         Traget Trast Missagers Ltd. (c)(y)	Product y Act         TODA 1         TAS         Ext To GEU         Birstyn Hoads 35436           2 6876         Cash Cap         100.9         14.3         Cash Nellad         121.3         127.3         127.3           2 6876         Cash Cap         100.9         14.4         Cash Nellad         121.3         127.3         127.3         127.3         127.3         127.3         127.3         127.3         127.3         127.3         127.4         121.3         127.3         127.3         127.3         127.3         127.3         127.3         127.3         127.3         127.3         127.3         127.3         127.3         127.4         121.3         127.3         127.3         127.3         127.3         127.3         127.3         127.3         127.4         121.3         127.3         127.4         121.3         127.3         127.4         121.3         127.4         121.3         127.4         121.3         127.4         121.4         121.4         121.3         127.4         121.4         121.4         121.4         121.4         121.4         121.4         121.4         121.4         121.4         121.4         121.4         121.4         121.4         121.4         121.4         121.4         121.4 <td></td>	
double (5) 27 Being deprived of pine, is brought back in (6) 28 Dirty tart staggers into	spirit; is talent involved! 21 Irritates a French city (6) PO Back, Norwech, NRI JNG. (15) 23 May start with cards Group to Found and the start with the start with cards Group to Found and the start with t	India         Control of the second seco	
put clumisly underneath	Plant "il's a badly written composition (8)       Dissifice/Aut a 1/12/1/M (1000 a minor about 500 cm       Oppendetmer Fand Magt Ltd. be Caron 52 Lordon ECH 842.       Mary 63 minor 201 cm       Mary 64 minor 400 cm       107.6 minor 4	G.T. Management Ltd. Do. Acting	
2 in rage, perhaps, about boy arguing (9) 3 "No organist" I said "brought about such dis-		G.T. Manuschment Ltd.         Dis Access.         Dis Access. <thdis <="" access.<="" td=""><td></td></thdis>	
order' (15)	20 Geotly slap girl on kneecap 1 (7) 20 Geotly slap girl on kneecap 1 (7) 20 Geotly slap girl on kneecap 20 Geotly slap girl o	1533         Assicurazioni         GENERALI S.p.A.         Legal & General Prop. Fd. Hypr. Ltd.	

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•	Financial Times Friday December 7 1984		35 † Middend Bank Tat Corp (Jensey) Ltd Surinvest (Jensey) Ltd
	Literity Life Accounters Co Lbd         Hational Provident Institution           Station Fill, How Server, S	<b>INSURANCE, OVERSEAS &amp; MONEY FUNDS</b>	26-34, Hill St, St Heller, Jartey.         4 Hill St, Dougloit, IoM.         8624 20941           Constr Tst £13.08         14.75 ± 0.07         -           MdBkDeGI         706.5         106.9         +0.1         11.23         TSB Trust Funds (CI)           MdBkDeGS         5.08         1.9         -         7.47         26 Hill St. St Heller, Jersey (CI)
	ingradiantal Data 22.0 Fred int _ 0.43.5 172.2 Sau Propriy _ 10.5 17.4 Educated Gint _ 0.0.2 111.4 +0.1 - Sau Propriy _ 10.5 17.4 Departe Card Miles 120.2 20.1 Propriy _ 10.4 10.1 Departe Card Miles	A Prosper Group     Target Life Assumance Co. Ltd.     CAL Investments (JoH) Ltd     Srineflay Henderson Mogt Ltd., Mestern R0, Ronvord RM1 3LB. 0703-66966     Target House, Estational Road, Aylesbury, Bocks.     Ib St Georges Street, Douglas, IoM.     0624 20233     PO Box 419, St Holler, Jarmy.     0534 74248     Life Assumance Street, Douglas, IoM.     0624 20233     PO Box 419, St Holler, Jarmy.     0534 74248     Life Assumance Street, Douglas, IoM.     0624 20233     PO Box 419, St Holler, Jarmy.     0534 74248     Life Assumance Street, Douglas, IoM.     0624 20233     PO Box 419, St Holler, Jarmy.     0534 74248     Life Assumance Street, Douglas, IoM.     0624 20233     PO Box 419, St Holler, Jarmy.     Call (A C	Minerata Qila Res Shus Fd Inc         TSB Gilt Fd 105.8         061.0         11.32           p0 Box 194, St Haller, Jersey, 0534 27441         TSB Gilt Fd 105.8         108.0         11.32           MoresDc6 511.04         11.38 - 0.18         3.31         TS0 Ur f0         90.3         102.0          5.71           Sarauel Montagu Lón Agenta         TSB Charler Jersey, 01424         TSB Cray Fd 96.9         102.0          5.71           Sarauel Montagu Lón Agenta         TSB Cray Fd 96.5         107.4         107.8          5.71           114. Oht Broad St, EC2,         01-626 3434         TSB Cray Fd 96.5         Mortagu Lón Agenta          5.71
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i L		Difference         Difference <thdifference< th="">         Difference         Differen</thdifference<>	Norcop Fund Managers (Bermude)         Ltd         Pacific Eqty 134.7         141.8         -1.8            Benk of Bermude Oldo, Bermude.         Do 8         1.100         1.120         -0.015            Amor Trust 57.04         9.25         4000         N Amr Eqty 91.5         96.4         -2.6
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	London & Manchester Group Wiedate Part - Fred (4)	Address So, Edisburgh         O31-555 91801         President         10.2         0.2         District         Strain         0.4 <td>Source Royal Trust Jath, MogL         S. G. Warburg &amp; Co Ltd and subsdra           Quilter/Heinold Commodities         S. G. Warburg &amp; Co Ltd and subsdra           31-45 Gresham St. EC2V 7LH 01.600 6177         Enarge Int 543.25         -+0.24           Rosce Fd 5133.52         Fill 34         Stice 115.68           Nott dcalling date Jan 2.         Fill 34         Stice Fd, Stice 115.68</td>	Source Royal Trust Jath, MogL         S. G. Warburg & Co Ltd and subsdra           Quilter/Heinold Commodities         S. G. Warburg & Co Ltd and subsdra           31-45 Gresham St. EC2V 7LH 01.600 6177         Enarge Int 543.25         -+0.24           Rosce Fd 5133.52         Fill 34         Stice 115.68           Nott dcalling date Jan 2.         Fill 34         Stice Fd, Stice 115.68
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2		Interchina         100.5	4 Hill Street, Douglas, IoM. 0824 29441 Gold Hond 1402 2554 + 2.6 Scribered 179.26 191.73 + 0.02 9.55 banc Collect DF105(.61 + 0.1) La Gold Fund 170.25 101.3 + 0.02 9.55 La Gold Fund 170.25 + 0.02 9.55 La Gold Fun
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	Comments for and Martin 1977 -	Ap Food	Sterling         £16.052         +0.004         9.37         WirdyRkAP         2.6.11         2.7.70         3.42           Australia         A.515.083         +0.004         9.37         WirdyRedT         510.52         10.90        70         X.7470847         510.52         10.90        72         X.70         X.74         X.70         X.74         X.70         X.74         X.70         X.70 <t< td=""></t<>
•	Japan Funt Bond (Acc) 130.6 137.3 +0.5 Property Acc. 128.9 136.0 - Pe	Bits         Bits <th< td=""><td>Boll Fra JFini         BFredit.36         +0.20         9.50         Borbugh Hes, 57 Peter Port. Coerror, 778,7           French Fra         FF1786,14         +0.05         9.02         Gint&amp;Opt Fd £1,18         1.24         0.461         279,67           Hx Donlar         HK3100,703         +0.02         6.91         Gint&amp;Opt Fd £1,18         1.24        </td></th<>	Boll Fra JFini         BFredit.36         +0.20         9.50         Borbugh Hes, 57 Peter Port. Coerror, 778,7           French Fra         FF1786,14         +0.05         9.02         Gint&Opt Fd £1,18         1.24         0.461         279,67           Hx Donlar         HK3100,703         +0.02         6.91         Gint&Opt Fd £1,18         1.24
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	Control control         Contro         Control         Control </td <td>299.1 257.7 -0.5 Example in the second secon</td> <td>PO Box 194, 5t Heller, Jertery, 0034 27441         Oppenheimer Monay Managamoni Ltd           StilfaßFo 20.090         0.910         + 0.01         9.06401         65 Cannon St, EC4N 6AE, 01-536 1425           Intl Sec 51,101         1.144         - 0.003         0.92         Call Fair         64 Cannon St, EC4N 6AE, 01-536 1425           Intl Sec 51,101         1.144         - 0.003         0.93         Call Fair         64 Cannon St, EC4N 6AE, 01-536 1425           Prices on Dec. 5, Next dealing Dec 12, SCI/TECH SA         Sci/TECH SA         Sci/TECH SA         Sci/TECH SA</td>	299.1 257.7 -0.5 Example in the second secon	PO Box 194, 5t Heller, Jertery, 0034 27441         Oppenheimer Monay Managamoni Ltd           StilfaßFo 20.090         0.910         + 0.01         9.06401         65 Cannon St, EC4N 6AE, 01-536 1425           Intl Sec 51,101         1.144         - 0.003         0.92         Call Fair         64 Cannon St, EC4N 6AE, 01-536 1425           Intl Sec 51,101         1.144         - 0.003         0.93         Call Fair         64 Cannon St, EC4N 6AE, 01-536 1425           Prices on Dec. 5, Next dealing Dec 12, SCI/TECH SA         Sci/TECH SA         Sci/TECH SA         Sci/TECH SA
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	Op. Actions         272-5-4	outh Account +1.0	J. Henry Schroder Wagg & Co Ltd Jaganese Yea 5.0 5.10 Mth Call 120, Cneposide, EC2. D1-392 5000 Choulartons AmilaNzi 133, 131
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	Herchaut Investors Assumed: Loo House, 233 High SL, Croydon 02-666 9273 Productical Pensions Limited 297.2 — Holson Bars, ECLM ONN. 01-405 9222 S Protecto Pana	en. Pers. Account	Box 273. St Pelor Port, Guarnesey, Mod Cur# \$95.0 625.2xd + 1.5 8.40 6 Fad Int* 625.7 600.1xd - 0.4 7.57 k Fad Int* 625.7 600.1xd - 0.4 7.57 k Eachty* 167.5 170.1 - 0.8 2.23 Henderson/Sonk of Scolland Steolary* 167.5 170.1 - 0.8 2.0 Steolary* 170.1 - 0.8 2.0
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### Warning **Overcapacity** in feed nears 25%

#### BY ANDREW GOWERS

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THE ANIMAL feed industry has are a clear indication that

bounder said yesterday. Mr Allan Price, chairman of BOCM Silcock, Unilever's agri-cultural subsidiary, said in London that raduced usa of cake as a result of EEC milk production quotas has cut the feed market hy 1m tonnes. He said: "You cannot take 1m tonnes out of the market without having some adjust-ment to the supply and demand situation. Many compounders are now in the throes of pain-ful adaptation to the now smaller, even more competitive, market."

### on cheese price By Our Con CHEESE PRICES in Britain will rise further in the New Year as a result of increasing manufacturing costs and limits on output caused by EEC milk quotas, Deiry Crest, the Milk Marketing Board's commercial

ties Staff

Noumea. There has been no ore pro-duction st the main mine at Thio for 14 days due to a block-ade hy Melaneslans campaign-ing for independence from France.

• MALAYSIA, has lowered

4 cents.

export duty on most grades of ruhher to 2 cents per kilo from

• WOOL: Australian Wool Pro duction Forecasting Committee has raised its forecast of 1984-85

THE ANIMAL feed industry bas are a treat industry's pro-excess capacity totalling be-tween 2.5m and 3m tonnes, duction capacity will have to about a guarter of the total, Britain's leading feed com-pounder said yesterday. Mr Allan Price, chairman of BOCM Silcock, Unilever's agri-cultural subsidiary, said in the total market size is estimated at between 9m and 10m tonnes. Markeing Boara's commercial subsidiary, warned yesterday. Mr Paul Pegden Smith. its cheese group director, said cheddar prices, the industry yardstick, would inevitably rise £100 g tonne. Cheddar manufac-Large feed companies such as BOCM are suggesting that as BOCM are suggesting that the small regional compounders —particularly in the west of England and Wales, where dairying is concentrated — may bear the brunt of capacity reduction. There is speculation that some of them may seek to merge with national companies. turers' stocks were at a five-year low of just over 61,000 tonnes. Dairy Crest said cheese con-sumption rose 1 per cent in the year to June, with a marked shift towards ooft cheese.

• NICKEL production by Societe le Nickel has been badly affected by the troubles in New Caledonia and ore sup-plies to its smelter are sporadic, But BOCM's Immediata the company said, yesterday in Noumea

smaller, even more competitive, But BOCM's Immediata market." BOCM has already announced farmers to bost production in BOCM has already announced priority is to encourage dairy the removal of 120,000 tonnes order to meet Britain's national of capacity with the closure of quota. Both the Milk Market-ita Avonmouth and Aylesham ing Board and — more quiety feed mills and the construction of a streamlined plant in the Avon area. This reorganisation will lead to 140 job losses. However, Mr Price's remarks below quota.

# Time for a new economic theory

#### BY JOHN CHERRINGTON

A COUPLE of years ago I was claims that this is all to the tina, and the company's auditor

A COUPLE of years ego I was claims that this is all to the asked th speak to the joint good and that it sharpens the sixth forms of two well-known wits of the producers and public schools. The subject makes them efficient operators naturally enough was the Com-in a market economy. It is mon Agricultural Policy. My views were accepted with-ments producers with such things as pointed out that the sheep flock never showed any increase where it should have done.

my views were accepted with-out too much srgument one way or another. except that one or two farmers' sons did not lika proved correct, of restrictions on production. Which has since proved correct, of restrictions on production. I explained that most of them were stolen by the local vil-lagers, many of whom were out of work and had no social security at all. It was better, I told him, to lose a few sheep worth about 25p a head at that time than the more valuable these reasons. During the early 1930s

farmers in Britain, the U.S., and the Commoowealth were in a depressed state hecause when they tried to sell their output cattle and crops. 1 did not add that I bad no intention of risking my own life or even that of one of the thieves trying to prevent it happening. markets were almost nonexistent That is wrong. There were. even in those days, lots of people suffering maloutrition,

Mountains some actually starving because they could not afford to huy

Roughly the same principles apply today. The enormous sums owed by certain develop-ing countries — which are un-certain of ever being paid and were probably never intended to be paid by the recipients — are simply the modern equiva-lent of my sheep stealers' booty. food. There was of course no talevision then to bring the

understand it is one of the most popular subjects today. My knowledge of economics is of course pretty basic. If I produce one oheep, a ton of corn, or s gailon of milk more than the customer wants to buy or can pay for then the price falls, and the price falls far more than the actual figure of oversupply justifies. Of course the same retribution awaits the manufacturer who does not get tha market right. There was of course no starving into every sitting room. Solutions There had of course heen hunger and starvation all through history and shortages of other goods hut by the end of the 1920s the physical limits to prodoction bad been over-come. The prohlem then, as now, was to get the distribution right.

### There are of course some and everything else necessary solutions. In 1931 I was work- to menkind is available and in ing on a large ranch in Argen- surplus. There were mountains of

grain, meat and everything else in the 1930s just as there are todsy. We have still not learned bow to distribute them to those who really need them.

There must be a solution other than restrictions, the reining back of production, which has been the fashion up until now. But this was no more than the human version of the than the human version of the economists' law of supply and demand which worked fairly well in the days of general scarcity hut is no longer good enough today.

Unfortunately, although there are many who are the faults of our present system, most gov-ernments are in the thrall of the orthodox economists who can see no alternative to conventional economic theory.

I am sure 1 sold something of this sort to those young people as an aside to my prepared text. are simply the modern equiva-But would it be too much to lent of my sheep stealers' hope that among the thousands booty. Ah, you will say, "There ciplines there are a few who always have been thieves of one are prepared to look for another

sort and another." True way of conducting the affairs of enough. But it is only since the man and solving the problems third decade of the 20th cen- of distribution — the economics tury that production of food of plenty and not scarcity?

## in further barter deal with Iran By Dai Hayward NEW ZEALAND has signed another oil for lamb barter deal with Iran. The deal worth about NZ3300m (f121m) will

see 100,000 tonnes of lamb go to Iran in return for 6m barrels of oil.

N. Zealand

of oil. However New Zealand will not receive the oil direct. It will be sold through an oil broker in Europe or Japan. The proceeds will go into a special bank account and as the New Zealand lamb is shipped to Iran payments will be made from the proceeds of the oil

sales. This is similar to a 1982 oil

This is similar to a 1982 of for lamb deal. On that occasion, Iran had some difficulty fulfilling the oil part of the contract and pay-ments for the lamb were slow. At one stage the New Zealand Meat Board stopped the sailing of a fully laden meat ship for five weeks until an overdue pay-ment had hear presided

ment had been received. The NZ Meat Board does not

believe there will be any problems over the new contract. All the details for the lamb side of the deals for the tanto she of the deal have been concluded and signed by the Iranian Meat Organisation, the General Trading Company and the bilateral trading company which will link the meat to the

which will link the mean to the odi gale. However, final details of how the oil will be sold and the choice of the international oil operator through which it will pass have still to be finalised. Slaughtering of lamb according to Muslim religious rites will begin before Christmas and the first shipments will leave for Iran in early January. Ships

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will sail practically every week until September, discharging the lamb at the Gulf port of Bandar Abbas. Iran is a vital market for New Zealand lamb, taking about a third of the total production. The meat board says it will still be able to meet its commitments to other markets.

• NDIA will invest Rs 1.57bn (£108m) in the five years beginning April 1, 1985, to plant coffee on 50,000 bectares, the Commerce Ministry said,

# **Decision deferred** on gold futures

#### BY JOHN EDWARDS, COMMODITIES EDITOR

the London Gold Futures Mar- consensus was reached on the ket to continue trading in some various moves suggested to put form. But they are undeclded how this should be achieved.

now this should be achieved. That was the verdict of a special meeting of members held at the Great Eastern Hotel, London, yesterday morning. The meeting, which lasted 14 hours, was eventually ad-iournad until Lanuary to give

journed until January to give timo for the board of directors to discuss the views expressed and to put forward some defi-

ber companies represented (out that allows exen of 54 eligible to attend) favoured rating for memb closing the market and 22 that futures market.

LONDON MARKETS

BASE METALS prices on the London Metai Exchange moved higher yesierday with the biggest advance heing registered in nickel, Cash

### has raised its forecast or 1997-00 Australiao wool output to 773.3m kg greasy from the 755m forecast in October. This would be tho bighest annual level since 1974-75 when out-put amounted to 793.3m kg. MOST member companies want it should continue. However, no INTERNATIONAL Sugar new life into the market, where turnover bas fallen to such a low ebb that its whole future is throstened,

Several options were men-tioned. Possible mergers with the London International Fin-ancial Futures Exchange; the London Metal Exchange; Lon: don Commodity Exchange or Intex, the Bermoda based fully sutomated futures exchange

and to put forward some den-nite proposals. No formal vote was taken However, it is understood that, in retaining the "black box" in a show of hands, 13 of the 50 "floor" and associate mem. Tax, under the special schome in that under the special schome in the special schome in that under the special schome is the special schome is that under the special The main preoccupation was in retaining the "black hor" arrangement for Value Added Tax, under the special schome that allows exemption and zero rating for memhers of the gold futures market,

MAIN PRICE CHANGES

+ or Monti

Dec. 6 1984

# Organisation exporting members are meeting in full their obliga-tions to hold special stocks totalling 2.5m tonnes raw value, according to Mr William Miller, the ISO executive director director. Special stocks bave been in-special stocks bave been in-special stocks bave been in-special stocks bave been in-countries except El Salvador, which was previously granted a deferral in meeting its obliga-tion be cald tion, he said.

What really astounded me was that most of these intelli-

gent young men and women were studying economics as A

level subjects and many of them, I gathered, boped to make

their future careers in some branch of that science.

The mind boggles when you add up the massed armies of embryo economists pouring forth from our various institu-

tions of learning, hecause 1 understand it is one of the most

invested around the world in 1980 and 1981 on the assumption that oil prices would con-tion that oil prices would con-time to rise throughout the rest a basic structural revolution in of the century, Cambridge the oil industry and geopolitics. Energy Research Associates said In the early 1970s only a few in its report The Future of Oil institutions, primarily large oil Prices: The Perils of Prophecy. Since the early 1970s consen-tion of the century 1970s consen-se hear of the norm in all companies and a few banks, did Since the early 1970s consen-tion of the century for the port of the companies and a few banks, did companies and a few banks, did

BY NANCY DUNNE IN WASHINGTON INACCURATE FORECASTS of of Cera, warns in his introduc-oil prices in the early part of tion to the study: "After 15 this decade led to one of the years of turhuleocc, it is clear most expensive business errors that the impact of unpredictable ever, according to a report pub-lisbed this week. About \$500bn (£414bn) was invested around the world in 1990 and 1981 on the assume-

evident io the current troubles of oil and gas and oil service industries, in the growing number of non performing loans

### **U.S. MARKETS**

THE gold and silver markets the gold and suver markets contineed to trade in a featureless fashion with par-ticipation subdoed ahced of the U.S. money supply figures which were due out after the close, reports Heinold Com-modifies. Copper and alumi-nium were firm on renewed r demand for Junuary, Grant in prices steadily up by sround during the morning. Nymax id 4c up and traded up to 8c c during the morning but cased / 1 pm EST. The petroleum oro-is market hed its busiest day of week. Gas of firmed in fina with

CRUDE OIL (LIGHT) 42.000 U.S. gallons CHICAGO cents/U.S. oall " CATTLE 40,000 Ib, cents/It 
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 Class 67,67 65,20 67,27 67,02 65,20 High Low Print 67.22 66.77 ....66.62 65.50 65.07 66.07 67.50 67.25 67.27 67.30 67.40 67.06 65.59 65.15 65.15 Dec Feb April June August

otherwise		INDICES	
Dec. 6 + 1984	er Month	FINANCIAL TIMES	pushe 15c
_		Dec. 5 Dec. 4 Jarth ago Your ago	highe
	-8 \$645	889.90 859.99 296.93 ; 889.76 (Base: July 1 1952 - 100)	ducts

Wrong oil price forecasts 'led to expensive errors'

" community," the report notes, in which there is a continuing exchange of information. These exchanges, along with a com-monality of methods and

ing of oil." Between July and Octobe IPE turnover rose from 41,674 lots (100 tonnes each) to 84,421 lots before falling back to 56,239 lots last month.

sus has been the norm in oil several agencies and companies prices predictions, the report have turned to forecasting but says—" and in each case the the basic work is still dooe by s consensus has been wrong." small number of companies and Mr Daniel Yergin, president institutions.

assumptions, contribute to a consensus in viewpoints.

It says: "Forecasters who stray from the consensus have more difficulty persuading senior management of the credihility of their work than those who stay within it."

The report concludes; "The perils of prophecy are already

be undercut by new forces at work in coergy and oil demands,

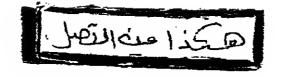
These forecasters make up a in North America . . . and in community," the report notes, the mountain debt of oil ex-

orting conntries." ● Mr Michael Bowers, Inter-

• Mr Michael Bowers, International Petroleum Exchange chief execotive, commenting on its improved turnover, said: "Continuing uncertainty about Opec's ability to maintain the price of oll at its chosen level has highlighted the economic advantages offered by our gas oil futures contract as an intrinsic component in securing improved returns from the trading of oil."

registered in nickel. Cash nickel moved np £85 to	METALS	Dec. 5 + 07 Month 1984 - #90 01LS	FINANCIAL TIMES	pushed prices steadily up by around 15c during the moming. Nymax opened 4c up and traded up to 8c	ticipation subdoed ahead of the U.S. money supply figures	Jan 27,68 27,97 27,68 27.70 Fab 21.58 27,78 27,57 27,60	Close High Low Prim Det 67.67 67.22 66.7765.62 Feb 65.20 65.50 65.07 65.07	4
£4,067,50 a tonne taking the rise on the week so far to	Aluminium	Coconut (Phil) 01010w +88 \$1000 Palm Malayan \$505v -8 \$645	889.90 889.99 896.93 ; 889.76	Algher during the marning but eased 3c by 1 pm EST. The perioleum are- ducts market had its busiest day of	which were due out after the close, reports Heinold Com-	March 27.45 27.66 27.45 27.48 April 27.32 27.50 27.30 27.30 Mary 27.25 27.42 27.25 27.29 Juna 27.20 27.35 27.20 27.23	April 67.27 67.50 67.25 67.27 June 67.02 67.30 67.00 67.06	Veze
£145 a tonne. Dealers attri- buted the rise to deepening	Copper Cash h Grade_£1096.8 +1.0 £1082.e	Secds Copra Phil \$570x +10	(Base: July 1 1952 - 100) REUTERS	the week. Ges of firmed in fine with the IPE which closed \$2-2.75 up-	modifies. Copper and alumi- nium were firm on renewed	July 27.25 27.21 August 27.10 27.10	August 65,20 65,50 65,15 85,15 Oct 63,30 63,50 63,10 63,10 Dec 64,55 64,75 64,55 64,55	- <u>-</u>
fears abont a squeeze on sup- plies available for nearby	3 mth 4£1114,25 +2.5 £1107,25 Gold tray oz\$330,6 -0.25 \$347.5	GRAINS	Dec. 6 Dec. 5 With epc Yearago	SPOT PRICES	commission house buying on the strength to sterling, Sugar	Sept 27.10 27.16 Oct 27.10 27.16	LIVE HOGS 30,000 lb, cants/fb	
delivery which was also re- flected in the elimination of	Lead Cash£337,5 +1.8 £308 3 m2hs£334,25 +1.5 £354,76 Nickel£5067£5868	Wheel Fut Mar£113.66 -0.16 £111.16	1890.2 1885.0 1880.4 1941.8 (Base: September 18 1951 - 100)	Change	weakened on bearish funda- mentals of large world stocks continuing to overhang the	GOLD 100 troy oz, \$/troy oz Close High Low Prov Dec 330.5 351.8 329.6 330.1	Close High Low Prev Dec 53.07 53.20 52.50 52.60 Feb 53.17 53.35 52,75 53.07	2. 14 1971 - 1
the cash discount against three months metal, which	Free Mkt	No2 Hard Wint. 1	MOODY'S	CRUDE OIL-FOB IS per barrel)	market. Coroa and race traded in a firmer fushion re-	Jan 332.2 331.8	April 48.72 48.92 48.52 48.77	
yesterday stood at £44 a tonne. Unrest which has hit	Platinum oz 8320.00 -0.25 8340.95	Cocca FL Mar. £1838.0 +1.0 £1808.6 Coffee FL Mar.£.8237.5 -10 £2319.0 Coffee FL Mar.£.8237.5 -10 £2319.0	Dec. 8 Nov. 30% th ago Yearago 980.0 986.0 968.6 1035.8	Arab Light	flecting the firmer tone to sterling. Cotton was steady	Feb 334.7 335.8 333.7 334.3 April 339.8 340.5 358.6 339.0 June 344.5 345.7 343.5 344.2 August 350.2 345.7 349.0 344.5 Oct 355.9 355.5 355.6 355.2 Dec 361.9 352.0 362.0 362.0 361.1	July 52.47 62.76 52.25 52.77 August 49.67 50.10 49.55 49.57 Oct 67.40 47.70 47.20 47.50 Dec 48.45 48.95 48.40 48.77	40-OURRENDY
production in New Calcdonia was a further bullish factor.	Gulok Silvert	Gatter Ainder, 72,200 +0,11 \$ Gas Oil jan, \$231.76 +2 \$235.6 Rubber (kilo) 61.0p +0.5 60p Sugar (raw) \$13.00x -0.55 \$124.5	(Sesa: Oncember 31 1831 - 100)	8 - 0 - 0 - 0 - 0 - 0 - 0 - 0 - 0 - 0 -	with participation limited	Oct 365.9 366.5 356.6 356.2 Dec 361.9 362.0 362.0 361.1	Dec 48,45 48,95 48,40 48,77	
The aluminium market was also strong with the cash quotation gaining £17.25 to	Tin Cash	Woolt'ps 64s 4820 kilo	DOW JONES	PRODUCTS-North West Europe	port. After the short term weat/or-related rally ran its	April 274.7 - 373.8 June 381.6 - 380.7	MAIZE 5.000 bu min, cents/56-lb bushel Close High Low Prev	
1941 a toune. Dealers put this rise down to covering against	Wollram 22 8416 \$74/75 -1.0 \$80/84 Zinc	# Unquoted. v-Jen. y-Jen-Feb. x Oec- Jen. w Nov-Dec. † Per 75-10 Rzek.	Jones 3 50 ago ago	Premium Gasolina	course, heating oil weakened on the adequate supply situ-	August 385.7	Dec 262.2 263.4 261.0 261.4 March 275.6 276.2 275.2 275.6	41 
short positions and forecasts that next Monday'o Interna-	5 mthe		8pot 123.10 a 125.45 138.32 Fut 125.75 155.66 128.05 145.38 (Sens: December 31 1974 - 100)	Heavy suel of 108-184 [	ation in the New York har-	HEATING OIL 42,000 U.S. gallons, centa/U.S. gallons	May 282,4 283,0 281,4 282,2 July 286,4 286,6 286,2 286,0 Sept 283,2 283,4 281,4 283,0 Dec 279,2 283,4 281,4 283,0	
tional Primary Aluminium Institute figures would show a				* Jan Petroleum Argus Estimatus	firm on light cash movement. NEW YORK	Jun 76.50 79.20 78.35 78.65 Feb 78.40 79.35 78.36 76.82	Dec 279.2 280.2 278.4 280.2 March 290.0 290.6 289.2 290.6	
smaller rise in world stocks than recently.	ALUMINIUM	SILVER	GRAINS	GAS OIL FUTURES	ALUMINIUM 40,000 Ib, cents/lb	March 75.26 76.25 75.20 75.80 April 72.30 73.45 72.20 73.28 Mey 71.50 72.80 71.80 72.78 June 71.00 72.00 72.00 72.03	PORK BELLIES 38,000 Hb, celts/Hb Close High Low Prov	
COPPER		Silver was fi ked 2.7p an ounco	The merket eased in this conditions	Month Ciose _ Dona	Close         High         Low         Prev           Dec         51.90         51.35         50.85         50.50           Jan         52.10         50.85         50.80	June 71,00 72.00 72.00 72.03 July 72.13 August 70.75	Feb 74.22 74.85 73.32 73.95 March 73.65 74.20 73.00 73.40	Bourse
COPPER Official - Unofficial -1	Alumin'm a.m. + or p.m. + or Official - Unofficial -1	higher for spot delivery in the London bullion market yesterday s1 587.95p. U.S. cont equivalents of the fixing	on further long liquidation egainst lack of buying interest while new crops were just atsady on lob covering.	SU.S. 1 per tonna	March 53.05 53.20 51.75 51.70 May 53.25 53.70 52.25 52.80	Sept 70.85 ORANGE JUICE 15,000 fb. cents/fb	August 72,50 72.60 71,30 71.52	NONEY MA
High Grde £ £ £	Spot	laught women and 707 for down 20.	reports Mulrpace. WHEAT BARLEY	0 ec	July 54,84 53,90 53,75 53,50 Bept 55,75 54,65 64,65 64,40 Dec 57,10 - 55,75 Jan 57,55 - 55,75	Close High Low Prev	Feb 70.50 71.00 70.50 70.50 Mench 69.10 70,20 69.10 69.10	1
Caah 1100-5 +5 1 1096-7 +1 3 months 1117, 5 +7.5, 1114.5 +2.5 Settlem't 1100.5 +5		month 778.8c, down 2 .4c. The metal opened at 587-580; (705-708c) and	Mach Close - Close -	March 588.00 + 1,25 150.2>-28.00 April	March 58.45 57.10	Jan 165,75 66.30 54.95 68,10 March 167,30 65.20 65.30 67.70 May 167,00 68.00 80.80 67.40 Sept 165,50 65.90 65.50	SOYAREANS 5.000 bu min. cents/60-1b bushel	Londor
Cathodes 1105 +9 11194 +0 3 monthei 11999 +5 1190-3 +2	Aluminium Morning: Cash (2929, three months (2951, 52, 51,5, 52, 51,5, Karb: Three months (2951, 50 5, 51, Alternoon: Three months (2953, 55, 55,	closed at 5853-5882p (708-705c).		May	COCOA 10 tonnes, \$/tonnes Lices high Low Prev Dec 2798 2205 2167 2168	Nov 165.00 65.30 65.30 66.25 Jan 164.00 — 64.00 March 164.00 — 64.00	Close High Low Prev Jan 805.0 608.2 597.0 600.1 March 618.6 619.6 610.4 612.9	
Settlem'ti [115 i+5 - i -	56.5, 57.0 57, 57.5, 58, 56, 59, 56, 50, 62, 63, 64, 65, 64, 64, 64, 64, 64, 65, 64, 63, 63, 57, 56, 64, 61, 61, 61, 61, 61, 61, 61, 61, 61, 61	oer fixing — p.m. troy price Unoffic'i	Mar. 110.65 -0.15 113.80 -0.16 May. 117.00 -0.15 116.10 -0.05 July. 115.20 -0.18	Turnever: 2,815 (1,565) lors of 100	March 2115 2115 2004 2090 May 2110 2120 2000 2007	PLATINUM 60 troy oz, \$/troy oz	May 531.2 532.6 524.4 527.0 July 641.2 642.6 535.0 637.6 August 642.0 643.0 636.0 637.6	
that in the moming cash Higher Grade traded at £1100, 1100.5, thms months £1117, 18 15.5, 19, 17.5, 17, 16, 16,5,	1area month; 1365, 66, 67, 68, 67, 5, 07, 68, 69, 68, 69, 68, 69, 68, 69, 68, 5, 69, 69, 5, 63, 7umover; 26,625 tonnes.	Spol	Sept. 08.60 +0.19 07.30 - Nov. 108.15 +0.25 100.95 +0.95 10NDON GRAINS Wheat: U.S. dark	RUBBER PHYSICALS-The London merket	20/5 _ 2053	Close High Low Prev Dec 318.3 310.7 Jan 318.8 321.0 318.5 319.2	Sept 630.5 631.0 627.0 628.4 Nov 629.6 630.0 625.4 627.0	
17. Kerb: Three months [1117, 165, Afterapon: Higher Grads: Three months £1118, 16, 15.5, 15, 14. Kerb: Higher	NICKEL	12months 644,450 (+2,50) - 1	northern spring no 1 15 per cent	opened slightly easier, ettracted little Internet throughout the day and closed	March 2088 2065 COFFEE "C" 37.000 lb. cents/lb	April 328.1 328.0 325.5 326.5 July 333.8 335.2 334.0 333.9 Oct 341.7 342.1 341.5 347.4 Jun 349.7 350.0 350.0 340.0	Jan 843.0 649.0 641.0 644.4	
Greds: Three months £1116, 185, 17, Turnover: 17,176 tonnos, U.S. Pro-	NICKEL a.m. (+ or p.m. + or	LME-(2.000 oz contract): Cash 584.50 (5850): three months 598.250 (599p). Tumover: 0 (0).	coast, U.S. no 2 soft md winter Jan/ Feb/Mar 149.50. English leed tob Dec	on a idie note, regonts Lewis and Past, Closing offices Ibuyers): spot 81.00p (same); Jan 72.00p (same); Feb 72.50p (same). The Kusis Lumpur Osc leb	Dec 147.90 41.90 41.15 41.85	Jan 349.7 350.0 360.0 349.0 SILVER 5.000 troy oz, cents/troy oz	Ciose Nigh Low Prev Dec 149.0 149.0 148.9 149.4	
ducore: 62.50-67.00 cente per gound.	Official - unofficiel -1	Turnover: 70 (35) lots of 10,000 cz. Morning: untraded. Kerb: untraded.	110.60. Jen 112.50, Jan/Mar 114.25, April/June 118. Meize-U.S. no 3 yellow/France constituent west cost	(same). The Kusle Lumpur Oec leb price for RSS No 1 was 191.5 (182.0) and for SMR 20 was 186.0 (186.5).	May 136.73 37.20 36.40 36.51 July 135.23 35.55 35.00 34.76	Close High Low Prev	Jan 151.9 152.3 151.1 151.9 March 157.5 157.0 156.8 157.8 May 162.2 162.5 151.0 162.3	2.9-1 
LEAD Official - Unellicial - t	Spol 4060 70 +106 4055-70 +85 0 monlhs 4066-70:+80,7 4060-70 +41	597, 98.5, 2nd ring three monthe 597.5, 98, Korb: large Gires monthe 598.	second hall Oct 148-145, Jen 147.50- 148.50. Barley: English teed tob Oct 113.50, Jen 114.50, Jen/Mar 115.25.	SOYABEAN MEAL	Dec 132.55 34.10 23.60 33.60 Dec 132.55 32.75 32.56 32.56 March 132.00 32.09 32.00 32.00	Feb 713.0 716.0	July 167.1 167.2 169.5 167.4 August 168.0 168.5 168.0 168.5	
0aah	Nickel-Morning: Cesh 64070, 67, 50, three months £4060, 70, 75, 80, 70, 50,	COCOA	HGCA-Locational ax farm apol	The market opened 50g to £1.00 lower during active trading, reports	May 131.01 31.50 91.50 30.75 COPPER 25.000 lb, canta/ib	March 778.0 728.0 712.0 722.0 Mey 730.3 737.0 724.8 733.3 July 742.1 749.0 739.0 736.8 733.3 Sept 754.8 757.0 728.0 745.1 Sept 754.8 757.0 778.0 774.0 777.7	Sept 169.0 189.0 169.0 169.5 Oct 169.0 170.7 169.6 170.0 Dec 172.2 173.0 172.0 172.0	Us in the second
3 montha.         3345         -5         3345         +1.5           Settlem 1         008         +.8         -         -           Lead-Morning:         Cash         £339, 38         5,	65. Karb: Three months £4060, 95. Aftempon: Three months £4065, 75, 80 75. 70. Karb: Three months £4075. Tum-	Apart from the near December lutures remoined in a narrow trading band and ended on a quiet note.	oncas. Feed barley: S. East 108.70, S. West 107.10, W. Mids 107.60, N. West 106.70. The UK monstary	T. G. Roddick. Prices essed through- out the day.	Close High Low Prev Dec \$9.45 58.50 58.05 57.85 Jan 58.70 58.55 56.65 56.15	Dec 775.0 778.0 774.0 777.7 Jan 781.7 - 784.4 March 735.4 801.0 796.0 798.1	SOYABEAN OIL 80,000 /b, cents/lb	87) 87)
Lead-Morning: Cash 233, 38 5, three months 233, 34.5, 34. Alternoon: Three months C33, 33.75, 33, 34. Kerb Three months C35. Turquer: 5,325 tonnes, U.S. Spor: 23.00-28.00 cents	over: 4.515 tannes.	Physicals were morescrive, with light nearby cocce bean business ellied to substantial lorward cocce products	coefficient for the week beginning Mondey, Occember 10, will remain unchanged.	Yesterday + or ausiness close - Dons	March 59.60 59.75 99.36 99.00	SUGAR WORLD.''11" 112,000 lb, cents/lb	Close         High         Low         Prev           Dec         27.06         27.25         28.50         28.73           Jee         25.92         26.05         25.37         25.43           March         25.02         28.15         24.49         24.53	
per pound.		interset, reports Gill and Ouffue.	Ausiness done-Wheat: Jan 110.35- 10.20, March 113.80-13.75, May 117,15- 17.00, July 115.20 only, Sept 68.60	HEG	Mary 60.40 60.50 60.00 59.85 July 51.20 61.15 60.85 60.85	Close High Low Prev	March 25.00 25.15 24.49 24.59 May 24.68 24.75 24.30 24.27 July 24.55 24.55 24.15 24.15	2
	Gold fell 5% en ounce from Wed- needey's close in the London buillon marker yesterday to finish at \$330%-	COCOA Yesterday's Close + or Business Done	only, Hov 102.00 only. Seles: 125 lots of 100 tonnes. Serier: Jan 110.25 only. March 113.40-13.30, May 118.15-18.00,	Fcb142,5-143.01,70:144.0 143.0 April145,0 145.51,50:143.5 June146,3 144.41,20	Sept         62.00         62.06         01.65         61.45           Dec         63.30         63.20         62.90         62.76           Jan         63.75         -         -         63.20           March         64.60         64.35         84.35         64.05	Merch 6.10 6.22 5.10 0.21 May 5.43 0.63 0.42 5.83 July 5.75 5.85 5.73 5.85 Sept 6.02 0.00 0.02 0.09	May         24.80         24.75         24.80         24.27           July         24.95         24.95         24.95         24.95           Arguest         24.95         24.95         24.95         24.95           Sept         24.95         24.95         24.95         24.95           Get         23.95         24.00         23.95         23.95           Dec         23.95         24.00         23.95         23.95	
TIN Official	$330^{4}_{4}$ . The motal opened e1 $5329^{4}_{4}_{-}$ $330^{4}_{4}$ and traded between s high of $5331^{4}_{4}_{-}331^{4}_{3}_{-}$ and a low of $5329^{4}_{-}330$ .	£ per tonno 0ec	Supr and Nov unireded. Seles: 91 lots of 100 tonnes.	August	COTTON 50,000 Ib, canta/fb	Oct 0.24 6.30 0.21 0.32 Jen 0.68 6.75 6.65 6.78	WHEAT 5,000 bu min.	
Cash	Trading was generally quiel and unavantful.	May	PIGMEAT	Selse: 143 (100) lots of 20 tonnes. O (0) 505 of 100 tonnes.	HERICAL DO. 10 00.40 05.85 00.20	May 7.51 - 7.52 May 7.51	cents/eu-le pustiel	
Cash	10NDON FUTURES	Mar	Futures offices left in line with obysical offices in quiet conditions, reports CCST Commodities,	SUGAR	Auty 67.07 57.18 66.85 57.10 July 65.10 65.22 69.00 68.30 Oct 68.20 58.10 68.09 68.16	SPOT PRICES-Chicago loose land 29.60 (same) cents por pound. New York tin \$43.0-550.0 (\$48.0-550.0)	Dec 264.4 357.0 352.0 354.8 March 263.0 356.0 350.0 354.6 May 247.0 368.4 344.0 355.2	
Settic m 1.9846 + 18	Month Yest'days + or Business Close Done	Salca: 3,329 (4,004) Lots of 10 tonnes.	Month Close   Close   Cons 9. per kile (deadweight)	LONDON OAILY PRICE-Rew sugar S113.00 (194.00), down 50c (up 50p) o tonna for Osc/Jan delivery. White	Ooc 68.35 68.50 68.25 68.20 March 69.35 69.20	cents per pound. Nerdy and Hermen silver builton 708.0 (707.6) cents per tray ounce.	July 337.2 339.0 335.6 338.6 Sapt 342.0 342.2 341.6 343.2 Dec 353.0 363.5 352.0 363.5	
three months (2620, Hrigh Gmde: Cesh; (26830, 95, 90, three months (2685, Kech: Thise months (2625, High Grade;	8 per troy		Feb  114.80 / 114.00  14.60-14.60 April  13.50 / 113.40  112.50.15 M	sugar \$152.50, down \$3.00. Prices alipped about \$1 over the day in a volume of business sub-	OTHER MARKETS			
Kard: Three months (2003), Altomoon; Stan- dard: Three months (2003), Altomoon; Stan- dard: Three months (2003), High Grade; Cash (2003), 92, 93, 94, 96, Korb;	Ounce Fab	Oscember 8: 67.95 (97.76).	Juce 110.30 110.00 110.34-19.10 Aug 108.30 108.20 108.00 Oct 113.30 113.00 116.20-15.00	stantially greater than of late, reports C. Czamikow.				TLON-
Cash (19891, 92, 93, 94, 96, Kerb; Standerd: Three months (19830, 15, Turnover; 1, 100 tonnos-	April	Ouring a quiet moming origes	Nov [114.00 [ 115.80 [114.10-13.80 Sates: 53 (44) lots of 50 carcases.	No.8 Yest'day's Previous Business Con- close close done	SYDNEY GREASY WOOL-CLOSE (in	two soft red winter Jen 163, Feb 163, Mer 163, U.5. two northern spring 14 per cent prolein Oec 178, Jen 180,	190, Dec 185, Jan 188, Jan/Mar 188, April/Sept 184 selicry, Pellets Argentine 5ficel 179, Nov 179, Dec 177, Jan 177,	T LONDON
ZINC	Cances.	Oresol Aumhnm Lambert. Opening logses were aredually recovered in	3.250 ks. POTATOES	tract	order: buyer, sollor, business), Australian cante per kg. Osc 571.0, 572.0, 574.0-571.0; Mar 582.0, 582.0,	Fcb 183, Mar 185.50, April/Moy 174. U.S. northern spring 15 per cent pre- tein April/May 189.50, U.S. three hard	Jen/Mar 177 Mey/Oct 181 aclians.	MIERBANK F
ZINC Official - Munofficial -t	GOLD BULLION (fine ounce) Dec. 6 Close 85504-3504 (£274-87412)	most contracts but further pressure in near January prompted a late repeat.		B per tonne Mar	582.0; May 586 0, 591.0, antraded; July 598.0, 600.0, u/t; Oct 587.0, 588.0,	ember durum Dec 198.50, Jan 202, Feb 204, Mar 205, April/May 168, Juna 181,	Sugar-(FFr par tonne): March 1456-	
£         £         £         £         £         £           Gash	Opening \$52034-38014 (£27412-270) Minig Ily, 0330,70 (£274,440)	GOFFEE Yesterd ys + or Business Close - Dono	ing the possible increase in riddle size from 40mm to 60mm bul after the initial rise it traded briekly in a 22	Mar	587.0: Oec 590.0, 592.0, u/t: Mer 598.5, 603.0 u/t: Mey 602.0, 605.0, 603.0, 8ejee: 16.	Sept 188. Canedian one western ember durum April/May 208.60. MAIZE—(U.O, \$ per tonne); U.S.	1457, May 1505-1508, Aug 1583-1598, Oct 1655-1665, Doc 1735-1750, March	
	Att n'nfix \$330.75 12274.507) GOLO ANO PLATINUM COINS	January	at the day's highs, reports Coley and	Mar + 166.0 (169,6-180,0 163,4-167,2 May	LONDON NEW ZEALAND CROSS-	three yellow Dec 132,50, Jan 131,75, Feb 133,75, Mor 133,76, April/June 138,	1854-1859. Cocca-(FFr per 100 k5). Dec 2075-	
Zinc-HION GRADE OFFICIAL/UN- OFFICIAL PRICES: Cash am 695-700, pm 695-700. Three months am 690-5.	Krg' r'nd. 83404-341 (±2824-3824) 12 Krug. \$17612-1761; (£14612-1464)	May	Norper, Yesterdy's Previous Business	Sales: 2,208 (2,407) lots of 50 tonnos.	Oec 500, 506, 503-502; Jen 600, 504, 503-502; Mar 508 510, 509-502; May	cellers. Argentine Piete Mer 140, April/ June 138, cellors. SOYABEANS—{U.S. \$ per tonne):	2080, March 2069-2073, May 2065 bid. July unguoted, Sept 2080 bid. Dec 2070 Jeked, Merch 2020-2070.	
pm 690-5; seniement 700, Morning; Cash 5553, 52,5, 52, 51, three months.	14 Kruo. \$8912-9014 (£7414-7414) 1118 Krug, \$5612-5714 (£3014-31) Mopieteni \$540-34014 (£382-39214)	Sapt	Month   close   close   Done & per tonne Fab   00 60 - 51 70 dt entrate	Tete and tyle delivery price for	510. 519, 516-515; Aug 529, 530, 530- 529; Oct 531, 532, 632-531; Dec 532,	U.S. no two yellow Gullports Nov 20/ Dec 10 245.50 Rec 244, Jan 244.60.	COTTON	
These months (551, 50, Alternoon, Incep	New Sov. \$7714-7812 (£841e-00) INEW Sov. \$4712-4814 (£3012-40) Old Sov. \$7812-80 (£0014-6519)	Salcs: 1,546 (2,883) lots of 5 tonnes. ICO indicator prices (U.S. canta per	Fab	International Sugar Agreement-U.S. conts per cound fob and stowed Carib-	544, 544-543; May 548, 549, 549, Soles: 175.	Feb 248.50, Mer 248, April 251, Mey 262,75, June 254.80, July 258 sellers. 80YAMEAL{U-8, \$ per tonne}:	LIVERPOOL-Spot and shipment sales emounied to 43 jonnes. Faw contracts	•
1990, Kerb: Three months (651, 52) Turnavet: 12,200 tonnes. U.S. Prime Western: 45.00-45.75 cents por pound.	S20Eagle 5510-540 (£423-445) Noble Plat 5329-3321, (£2781, 8763,)	oound) lor comp. daily 1879 135.25 (135.02): 15-day average 136.92 (137.31).	Nov 65.50 65.00 - Feb 50les: 809 (535) lots of 40 tonges	bcon ports). Frices for December 5: Only price 4.02 (4.09): 15-day overage 4.07 (4.10).	WHEAT-(U.S. & per lonne); U.S.	44 per cent; effoot 190-180, Hov 176, Dec 170, Jan 187, Jan/Mar 170, April/ Sept 182 sellers, Pellety Stazil affoat	demand was encountered moust in	
Healt						oope ine oondre, renets 9f8211 3float	Ressian and Middle Ensure qualities.	
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### **CURRENCIES, MONEY and CAPITAL MARKETS**

#### FOREIGN EXCHANGES

### **Bundesbank adds to \$ disarray**

The dollar moved erratically mentals likely to affect the in currency markets yesterday, market. The release of U.S. M1 reflecting a low trading volume money supply figures was due and intervention by the Bundes-after the close of business in bank. The latter was active from London and was expected to time to time, taking advantage of show a further rise. However, the thin trading to push the dollar weaker. The most canly from market estimates to immediate effect was to make a bredominantly erratic market even more jumpy and the spread between buying and selling rates widened as a consequence.

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predominantly erratic market aollar. even more jumpy and the spread between buying and selling rates widened as a consequence. Despite the fact that there is average 1.2415. Exchange rate still more than two full trading weeks before Christmas, many commercial banks are already squaring off their books, prompt-squaring off their books, prompt-index to 74.8 to 74.6. weeks before Christmas, many commercial banks are already squaring off their books, prompt-ing one dealer to describe yester-day's dollar/D-mark market as being something of a circus. The dollar - touched a high of DM 3.1055 but it soon became clear that this hreak through DM 3.10 was unlikely to be sustained. During the day it slithered down to DM 3.0540 be-fore finishing at DM 3.0540 be-fore finishing at DM 3.0540 be-fore finishing at DM 3.0540 com-pared with Wednesday's close of DM 3.0788. Elsewhere it finished at SwFr 2.5245 from SwFr 2.5450 and Y246.55 from Y246.73. It was also weaker against the French also weaker against the French franc at FFr 9.3825 from FFr 9.42.

FFr 9.42. On Bank of England figures, the dollar's trade-weighted index was 142.5 from 142.4. With many people remaining on the sidelines, there appeared to be little attention paid to funda-

POUND SPOT-FORWARD AGAINST POUND

establish any clear pattern. Against the dollar it slipped to \$1.2060-1.2070, 9 fall of 15 points from Wednesday. It was points from Wednesday. It was weaker against the D-mark at DM 3.69 from DM 3.72 and SwFr 3.0450 compared with SwFr 3.08. It was also weaker against the yen at Y297.50 from Y298.25 and FFr 11.30 compared with FFr 11.39.

D.MARK - Trading range against the dollar in 1984 is 3.1410 to 2.5533. November average 2.9906. Trade weighted index 120.8 against 126.5 six months ago.

The dellar was fixed at DM 3.0765 against the D-mark at yesterday's fixing in Frankfurt, down from levels touched earlier in the day but up from Wednes-Sterling suffered in much the same way as the dollar. Its yesterday's fixing in Frankfurt, unchanged index failed ts down from levels touched earlier reflect its overall weaker trend in the day but up from Wednes-although the erratic nature of day's fixing of DM 3.0840. The trading made it difficult to Bundesbank 25Id a 15ken \$7.55m

### EMS EUROPEAN CURRENCY UNIT RATES

·	Ecu central rites	Currency amounts against Scu December 5	% change trom central rate	% change adjusted for divergence	Diverger Jimit 7
Belgian Franc	44.9008	44.9353	+0.08	+0.38	±1.5428
Daniek Krone	8,14104	8.02455	-1.43	-1.13	±1,5421
German D-Mark	2.24184	2.23241	-0.42	0.12	$\pm 1.1463$
French Franc	5.87455	6.83713	-0.54	-5.24	±1.3659
Dutch Guilder	2.52595	2.57946	-5.28	+0.06	±1.5165
Irich Punt	6.72569	0.716664	-1.24	-5.84	±1.6671
Italian Lira	1403.49	1379.09	-1.74	1.74	±4.0511
. Changes	ers for I	icu, theratere	positive ch	enge denotes	

DOLLAR SPOT-FORWARD AGAINST DOLLAR

								Day			76	111100	
	Dey's			%	Three		Dec 0	epresd	Close	One month	p.e.	months	p.a
Dec 0	apread	Close	One month	p.s.	Ponths	p.s.	UK†	1.1990-1.2110	1,2060-1,2070	5.07-0.05c pm	0.60	0.12-0.10 pm	0.3
U.O. ·	1.1990-1.2110	1.2060-1.2070	0.07-0.05c pm	0,60	0.12-0.10 p	m 0,36	Irelandt	1.0070-1.0180	1.0160-1.0180	5.53-0.48c pm		1.40-1.30 pm	
Canada	1.5892-1.5953	1.5936-1.5953	5.14-0.22c dis	-1.35	5.39-0.53di	8 -1.15	Canada	1.3209-1.3227	1,3220-1.3225	0.19-0.22c die		0.45-0.50dis	
Nethind.	4.16-4.19-	4.18 -4.17-	1-1-1-c om	3,96	4-3% pm	3.78	Nothind.	3.4460-3.5010	3.4560-3.4570	5.96-0.94c pm		2.93-2.89 pm	
Belolum	74 44 74 90	74.45-74.85	4-90 dis	-1.05	13-22 dis	-0.94	Se lolum	61.70-62.41	61.70-61.60	9',-11c die			-1.3
Denmark		13.31-13.325	21-Jone dis	-2.70	6-74 dis	-2.19	Deemark	11.014-11.114	11.01 - 11.024	2-3ore dis			-2.1
Imtae d	1.1875-1.1961	1.1883-1.1893	5.46-0.62p dis	- 5.45	1.42-1.68dia	-5.01	W. Ger.	3.0540-3.1055	3.0620-3.0630	0.86-0.81pf pm		2.72-2.67 pm	
W. Ger.	3.68-3.72-	3.68 3.60	13-13pf pp	4.06	32-34 pm	3.86	Portugal	165-16612	165-166	175-525c dis		500-1450dis	
Portugal	198.55-200.33	196.77-200.14	195-825c die	24.65	585-1736dia	-23.26	Spain	170.00-172.16	170.00-170.25	45-55c dis		135-165 die	
Spein	205,28-208.65	205.29-205.58	43-68c dis	-3.24	130-190 dis	-3.02	Itely	1,892-1,975	1,892 -1,893 -2				-3.7
italy	2,281-2.298-2	2,2847-2,2857	8-11 live dim	-4.99	28-31 dis	-4.99	Nerway	8,884-8.94	9.884-8.884	2.80-3.30ora dis		8.00-8.50dis	
Norway	10.71	10.73-10.74	24-35ore dis	-3.42	81-91 dis	3.35	France	9.38-9.50	0.38-9.38-7	1.45-1.56c dm		3.80-4.20dis	
Fmnce		11.29	7-150 dis	-1.33	34-44 dis	-1.35	Swaden	8.743-8.813	8.744-8.754	1.66-2.16ore die		0.10-5.60dis	
Swedeo	15.55-19.614	10.65-10.56-			5-5. dis	-2.06	Japas	248.00-247.45	246.50-246.60	0.64-0.50y pm		1.82-1.77 pm	
Japan	2963-298	287-298	0.85-0.75y pm	3.23	2.50-2.40 pt	n 3.29	Austria	21.46-21.81	21.46-21.50	2.40-1.50gro pm		9.00-7.00 pm	
Austrio	25.96-26.13	26.05-26.11	4"-Z"epro pm	1.72	133-105 pm	1.83	Switz.	2.5190-2.5635	2,5240-2.5250	0.90-0.84c pm		2.68-2.62 pm	
Switz.	3.04-3.073	3.04-3.05	1-1-c pm	4.93	34-34 pm	4.52	+ UK	and Ireland a	and quoted in U			premiume en	
	igian min is f		trases. Financ		74.70-74.60		disco	ounts eoply to	the U.O. doll	and not to th	e isdivi	duol currancy	y.
			c pro-per. 12-m				86	lgian rate is t	er convertible	trancs, Financia	a tranc	81,90-52,41	

#### OTHER CURRENCIES

Dac. 6		1	1	£	Dec. 6		Special Drawing Rights	Europ Currei Uni
Argentine Peso. Augtralia Dollar. Brazil Cruzeiro Finland Markka. Orosk Drachma. NongKong Dollar fran Riaf KuwaitDinar(KD) Luxombourg Fr. Malayala Dollar. New Zealand Dir. Saudi Arab Rivaj Singapora Dollar Sith African Rand	14.155-1.4175 13.496.843.825.88 7.5867.7,718 151.01.154.42 14.110-9.4240 110.70* 0.56490-0.8588 74.45.74.85 2.89602.4006 2.4706.3.4786 4.26055.2.2100 6.2068-2.2142 4.4170-4.4620	1,1760-1.1765 8,203-8,983 6,5780-6,3800 120,65-128,07 7,3840-7,8630 95,25 0,3088-0.3084 61,70:51,80 2,4100-8,4130 2,6502 3,5615 2,1660-8,1875 2,1660-8,1875	Austria	74,75-76.50 13,32.13,45 11.31.11,43 3,70-3,74 2285-2815 297 300 4,18-4,12 10.71.10,83 109-310 203-813 10,54-10,65 5,05-3,08	Sterling Canadian E. Austria Sch. Belgian Fr. Danish Kr. Danish Kr. Danish Kr. Danish Kr. Guilder Fresch Fr. Spart Ptar, Swas Fr. Greek Drah Irish Punt.	612 10.75 412 11 7 412 0 912 1515 0 6 4 2014 1234	21,4092 61,4282 10,9782 3,04960 3,44164 NJA 1885,34 245,387 NJA 169,502 6,72446 2,0133s 125,592 N/A	5.726 0.960 18.700 44.931 8.024 2.232 2.019 0.837 1379.1 1371.1 1

#### EXCHANGE CROSS RATES

Pound St rling U.S. Dollar : Deutsche mik J panese Yon FreschFranc Swiss Franc | Dutch Gulid | Italian Lira Canada Dollar Belgian Fran Dec. 0 11.35 2285, 1893, 1,207 297.5 3,045 4.170 3.457 1.095 74.58 Pound Sterling 8;690 0.880 . **.** . Deutobemark Japanese Yen 1,000. 3.059 0.835 1.130 14,06 672.9 7681, 0,432 6,360 20.20 650,2 0.371 0.527 80,53 18.40

at the fixing. Trading was rather thin and there was little support for the dollar when it briefly broke through the DM 3.10 level. The low volume accounted for the volatile nature of the market

the volatile nature of the market with no new fisctors to in-fluence trading. Storling was lower st DM 3.7050 from DM 3.7150 while the Swiss franc improved to DM 1.21354 from DM 1.2090. DM 1.21354 from DM 1.2090. Within the EMS, the Belgian franc was unchanged st DM 4.966 per BFr 100 as was the French franc at DM 32.85 ner French franc at DM 32.65 per FFr 100. The Dutch guilder was marginelly weaker at DM 88.62 per Fl 100 from DM 88.635. STERLING EXCHANGE RATE

INDEX Dec 6 Previous

8.30 am ..... 74.8 75.0 9.00 am ..... 74.8 74.9 10.00 am ..... 74.8 74.9 LONDON 11.00 am ..... 74.8 74.9 74.9 Noon ..... 75.0 1,00 pm ..... 74.7 75.0 Dec March June Sept Doc Estima 2.00 pm ..... 74.6 74.5 3.00 pm ..... 74.7 7**4**,8 4.00 pm ..... 74.7 74.7 £ in New York December 5 | Prev. close

21.2065-2075 |\$1,2880.1990 20,065554 jpm (0.08-0.05 pm 0,10-0.06 pm (0.13.5.08 cm 0,50-0,60 dis (0.38-5.48 dis £ Spot 1 month 3 months 2 months

to the U.S. dat Forw

			Lary e			~			
Three		Dec 0	epresd	Close	One month	p.e.	months	p.a.	
Ponths	p.s.	UK†	1.1990-1.2110	1.2060-1.2070	5.07-0.05c pm		0.12-0.10 pm		flec
0.12-0.10 pm	0,36	Irelandt	1.0070-1.0180	1.0160-1.0180	5.53-0.48c pm		1.40-1.30 pm		Marc
5.39-0.53dis	-1.15	Canada	1.3209-1.3227	1,3220-1.3225	0.19-0.22c die		0.45-0.50dis		June
4-34 pm	3.78	Nothind.	3.4450-3.5010	3.4560-3.4570	5.96-0.94c pm		2.93-2.89 pm		Sept
13-22 dis	-0.94	Se lolum	61.70-62.41	61.70-61.60	9'-11c die		20-23 dis	-1.38	Dec
64-74 dis	-2.19	Deemark	11.014-11.114	11.01 - 11.024	2-3ore dis		5-7 dis	-2.12	Estim
1 42-1.66dis	-5.01	W. Ger.	3.0540-3.1055	3.0620-3.0630	0.85-0.81pf pm		2.72-2.67 pm		Previ
32-33 pm	3.86	Portugal	165-166-2	165-166	175-525c dis		500-1450dis		Basis
585-1736dis	-23.26	Spein	170.00-172.16	170.00-170.25	45-55c dis			-3.39	Treas
130-190 dis	-3.02	Itely	1,892-1,915	1,8921,-1,89312			27-273 dis	-3.79	near
28-31 dis	-4.99	Nerway	8,884-8.94	9.884-8.884	2.80-3.30ora dis				STER
8-9- dis	3.35	France	9.38-9.50	0.38-9.387	1.45-1.56c dm		3.80-4.20dis		
	-1.35	Swaden	8.743-8.815	8.744-8.754	1.66-2.16ore die		0.10-5.60dis		-
	-2.06	lages	248.00-247.45	246.50-246.60	0.54-0.50y pm		1.82-1.77 pm		Dec
2.50-2.40 pm	3.29	Austria	21.46-21.81	21.46-21.50	2.40-1.50gro pm		9.00-7.00 pm		Marci
133-105 pm	1.83	Switz.	2.5190-2.5635	2,5240-2.5250	0.90-0.84c pm	4.13	2.68-2.62 pm	4.19	June
3%-3% pm	4.52	t UK	and Ireland a	ra quoted in U			premiuma er		Estim
74.70-74.60.		disco	cants eoply to	the U.O. dolla	and not to the	s isdivi	duol curranc	y.	Previe
38-0.48c die.		86	lgian rate is to	ar convertible	trance, Finencie	l frenc	81,90-52,41,		DEUT
									DM 1
		C11	IRRENCY	DATEC	CURREN	CVM	AVENET	NTC	
			RRENCI	RAI 60	CONNEN		CALCIMET		-

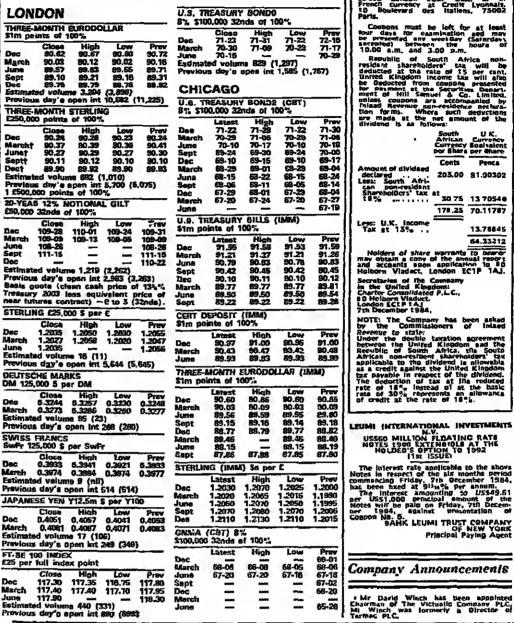
		Special Drawing Rights	Europ'n Currency Unit	Dec 0		Morgan Guarant'y
			0.603368		Index	Changes%
	10,75	0.991267	5.726697	Sterling	74.7	-10.6
en.	410	21,4092	16.7082	U.S. dollar	142.5	+28.5
f		61.4282	44.9353	Canadian dollar	90.0	-3.0
·	7	10.9782	8.02465	Austrian schillisg.	110.9	+3.1
	410		2.23241	Belgian tranc	88.8	
			2.01946	Danish Kroner	75.8	-6.7
	910	NIA	0.83715	Deutsche mark	120.6	+6.4
			1379.09	2wice franc.	140.1	+5,9
	0	245.287	179,203	Dulider	11D.6	+3.8
(r.,	6	NIA	0.46948	Franch franc	63.9	-16,1
ar.	Le.	169.502	124.265	Lira	46.7	-14.8
K	9	8.784-16	5.37131	Yen	166.5	+12.0
		2.01338	1.84191			
8h		125,592	01.5565		-	
			0.716864	Morgan Gairanty	chunges	
	-		_	1860-1982-100. Bat	uk of Engl	and Mdex
rate	tor I	December I	6: 1.31238.	(beet average 1975	-1001_	

### FINANCIAL FUTURES Prices weaken

Prices weakened on the London money supply, which coupled International Financial Futures with the previous week's large Exchange yesterday. There was increase of \$6.7bn, seemed likely considerable confusion and up to prevent any further easing of considerable cosfusion and un to prevent any further easing of certainty about the direction of the Federal Reserve's monetary the U.S. dollar in the near future policy.

and about the likely direction of interest rates. Eursdollar futures spened weak, discouraged by the overnight decline on Wall Street. The March contract began at 90.11, but this was still near the bick march of March of March Gilts were quiet, reflecting the lack of movement on the cash market. December remaioed the most active month, and was depressed initially by the sver-night weakness of the U.S. bond market. Alor superior at 100 cm high point of the day of 90.12. Chicags spesed as sellers, and March Eurodollars finished only market. After spening at 109-27 the December price finished little changed at 109-28, csmpared with slightly above the day's low at 90.03 compared with 90.1S 109-31 on Wednesday.

previsually. The mood of depression was were very dull, with December exaggeraled by expectations of delivery opening and closing another rise in weekly U.S. M1 unchanged on the day at 90.24.



### TRANSVAAL CONSOLIDATED NOTICE IS HEBERY CIVEN that a thom is being made to Parliament present Section by Llowde Bank ("Lloyde") and Lloyde Bank Intern Limited 1'LBI", for an Act und above Rame or short title for purch which the following is a concise any LAND AND EXPLORATION COMPANY LIMITED (incorporated is the mublic of South Africa) PAYMENT OF COUPON NO. 51

**Company Notices** 

With reference to the Company's pro announcement and Dividend noti advertised in the press on 29th Oct sublishes shara warrants widenti was tiocla arrency and in arrency arrents arrents

III be made against on or after in U.K. Curtency Separtment of Limited, 43 Be EC2P 2LX, or at Credit Lyona rments will ba No. 81 Pry 1808 in Securities 50 rel & Co. 1 1 London E Paym

nied by nectara-South U.K. African Currency Currency Soalvaient per Shars per Chare Penca 203.00 \$1.90302 30 75 13 70544 178.25 70.11787 13.78845 THE NUMBER OF 64.33212 SUFFERERS OF THIS DISEASE IS INCREASING Holders of share warranty to bear or may obtain a copy of the annual report and acceants soon application to 50 Holdorn Vizdact, London EC1P 1AJ. ALARMINGLY DIABETES Join us ---- Help us has been asked crs of Inland BRITISH DIABETIC ASSOCIATION

10 Queen Anne St London WIM OBD

Support us

& PAINES

Londo

Personal

FACT

T Street

HE MARRIAGE OUREAU (Heather Jenner), 124 New Bors St., W1. 01-629 8634, (Est. 1959.)

Art Galleries ROWSE & OARBY, 10, Cork St., W1 81-734 7984, 51ANA ARMFIELO Rotent Paintings, VILLIAM DRUMMOND, Bury St. Gallery 11, Bury Street, 5W1. English drawlog: for Christmaa, Dog't miss iti

LEGER. 13, Old Broad St. ANNUAL WATERCOLOURS EXHIBITION. Mon.-Fri. 9.30-5 30, Thurs. antil 7, 01-529 3538 LUMLEY CAZALET, 24, Davies St., Wt. 01-499 5058, CHRISTMAS EXHIBITION

37 **Parliamentary** Notices

LLOYDS SANK IMERGERI

French France 10 Swimt France	0.885	0,396	3,266	87,70	5.711	2.035	1,369	750,4	0,524	24,48
Dutch Guilder Italian Lira 1,000	0,240 0,438	0.269	0,885 1,510	71.34 130.6	6.710 4.943	0.730 1,343	1.826	548.0 1000.	0,382 0,698	17.88 32,53
Canadian Dollar Belgian Franc 100	0.627 1.541	0.757	2,314 4,950	186.0 399.1	7.087	1,910 4,085	2.515 5.384	1433. 3065.	2,139	46,75 100,

#### EURO-CURRENCY INTEREST RATES (Market closing rates)

Dec. C	Sterling	U.S. Dollar	Canedian Dollar	Dutch Guilder	Swiss Frano	D-mark	French	italian Ura	Beigia Conv.	Fin.	Yon	Ogalah Krose
Short tarm	946 840 960 216 911 23 912 918	84.84 84.87 84.87 96-23 96-23 96 94 106-106	1058-11 1034-1138 1058-1058 1078-1038 1575-1058 1078-1078	10000000000000000000000000000000000000	1-14 1's-15 0's 5's 5-0's 6-0's 4's 5's	61g 058 512-568 014 513 059-514 515 518 515 518	1058 1078 1058 1078 1058 1078 1058 1058 1054 - 11 1114 - 1112 1134 - 19	15-10 1546-1576 1478-1546 1418-1546 13-1036 15-18 1558	$101_{8}-11 \\ 151_{8}-11 \\ 101_{8}-11 \\ 101_{2}-11 \\ 101_{2}-11 \\ 103_{4}-11 \\ 103_{4}-11 \\ 4$	1012-1034 1512 1034 2058 1075 1058-1078 1058-1078 1058-1078	6467 6467 65067 6708 6708 6708 6708 6708 6708 6708 6	1154-1614 1154-1214 1178-1254 1158-1918 1118-12 1118-12 1118-12

Asian \$ (Closing ratae in Singapers): Short-term 624-824 per cent; seven days 82-9 cer cent; and month 824-94 per cent; three meathe 94-94 per cent abx menths 84-84 per cent; and year 104-105 per cent. Long-term Eurodellars; two years 11-114 per cent; three years 114-114 per cent; lear years 114-117 per cent; five years 112-124 per cent seminal rates. Short-term intos am cell ler U.S. dellars and Japanese year; ethers two days' notice.

#### MONEY MARKETS

# London rates little changed

Interest rates were steady in wery quiet trading oo the London money market. Dealers remain nervous about the British Talecom share issue, and fear a sudden swing against the market if a large number of cheques are cleared. This created some con-fusion and uncertainty on Wed-nesday, but when the market finished comfortable, with bank balances well above target, it was feared yesterday's shortage might turn ont larger than first forecast. Dec. 0 Frankfurt Paris Zurich Amst'dam Tekyo Milan Prussels Jublin

UK clearing banks' base lending rate \$1-91 per cent since November 23.

This encouraged dealers to take overnight money at the early rate of 91 per cent, foaring that the rate could move up later in the day. This meant that dis-count houses tended to square their hooks relatively early and did not require any large help from the Bank of England late In the day. On the interbank market three-month money 923ed to 914 per cent from 943 per cent, while three-month bank bills were quoted at an un-changed rate of 94 per cent by the discount houses.

### FT LONDON

### INTERBANK FIXING (11.00 a.m. December 6) 3. montie U.9. dollars .

offer e 11/18 5kd 9 9/19 & monthe U.S. dollars .....

5ffer 95/16 bid 9 3/10

The fixing rates are the arithmetic masse, rounded to the nearest one eixteenth, of the bid and offered mits for stigm quoted by the market to Gue reference banks at 11 am each working day. The banks are Matland Westminster Back, Bank of Tokyo, Deutsche Bank, Benque Nationals de Paris and Morgeo Guaranty Trust.

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2

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Belgium ...

Belize ..... Senin'..... Bermuda... Bhutan..... Bolivie ..... Botawana . Brazil ..... Brusci ..... Bulgarie .... Bulgarie .... Burkina Fa Burundi.... Cameroun I Ganada ..... Canary Is... Cape Verde Caymae Is... Cen. Africa Chile ...... Chile ...... Colombia ...... Comora 7.47 -1430 1318 1-1318 1-1318 1-1518 1-1518

June

ST DOL						
Dec. 0	. Frankfurt					i
	5.50-5.60	11	159-159	656 834	6,40623	1
h		104-107	418 5 <sub>16</sub>	069-852	6,03125	; I

Dra month	16g         65g 03g         6,40623         161g 171g         7,43         141g           51g         05g 05g         6,03125         157g 171g         105g 107g         147g           61g         04g 05g 05g         6,03125         157g 171g         105g 107g         147g           61g         04g 05g 05g         07g 171g         105g 107g         147g           61g 27g         -         -         101g 105g         147g           63g         -         -         -         104g 105g         147g           63g         -         -         -         101g 105g         147g           63g         -         -         -         -         147g
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DON			NEY RATES Discount Houses			Depos	it and Bill Rates			
6	Statling Certificate af deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligibie Bask (9uy)	Eligible Bask iSeli)	Fine T <i>rade</i> I6uy)
otice nth nthe onthe the nthe	000000 000000 000000 00000 00000 1 { }	834-10 914-012 258-911 958-954 958-954 958-954 958-954 978-10 10-1072	914-936 018-934 255 976 958 958 958 958	914-958  912-034 958-918 978 978 978 	914-234 — 858-914 214 988 988 014 — —	111199191111	; 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,	: : : : : : : : : : : : : : : : : :	1	

	Local Auth. negotiablo ocnds	Autbority	Miniance House Ceposits	ef i	SDR Linked Deposits	ECU Linked Deposits
Dne month	1016 934		96g 06g	8.5-6.9	84-84 84-84	8 A 912 9 1 012
Two months			9:# 912	8.95-8-95	93a-85a 85a-81a	01 81g 81 85g
Six monthe	101-978	Ξ	' 10'	8.7 8.8 8.95-10, 15	9-914	912 978
Two years Three years	l	20 58 10 58		=	=	=
Four years		104 107s	=	- 1	=	Ξ

ECGO Fixed Rate Expert Finance IV: Average Rate of Interest ported November 7 to December 4 1954 (Inclusive): 0.304 per cent, Lecel authentics and finance touses seves days' notice selves days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 10<sup>1</sup>/<sub>2</sub> per cent from December 1 1954. London and Scotth Clearing Senk Rates for lending 91-94 per cent. Londen Oeposit Rates for sums at seven days' netics 8-94 per cent. Trassury Bills: Average tasder retas of disceunt 9.0559 per cent. Carthiceles si Tax Depeck (Oeriss 6): Deposit 5100.000 and ever heid under ene menth 92 per cent: ene-three months 94 per cent: three-sis months 98 per cent; sis-nin menths 10 pet cent; nice-12 months 10 per cent; S100.000 Jer cent; S100.000

#### MONEY RATES

#### NEW YORK (Lunchtime)

-	Primp rate	114-115
	Broker loss mis	9%-10 <sup>1</sup> 2
	Fed funde	81 <u>2</u>
	Fed tunds of Intervention	8"x
	Treasury Bills	
	Dne month	7.85
	Two month	6.25
	Thme meath	8,44
	Six menth	8.52
	nne year	8.85
	Treasury Bonds	

1.00.	Two year	93°'u
Cent.	Three year	100°°,s
18 B	Fost year	100-"12
nine	Five year	99' <del>~</del>
CEnt	Seven year	10312
	10 year	100 %
	30 year	101%

The Table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, December5, 1984. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted

areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions. Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

Bank of America, Economics Dept., E.M.E.A. London Eurodollar Libor as of December 5 at 11.00 a.m. 3 months: 91 6 months: 91

in foreign currency units per one U.S. dollar except in cortain specified

ECU=\$US.728566 SDR1=SUS.992925 Sibor as of December 5 at 11.00 a.m. 3 months: 94 6 months: 9]

COUNTRY	CURRENCY	NOLLAR	COUNTRY	CURRENCY	VALUE DF	COUNTRY	CURRENCY	NALUE OF
Afghanistan	Afghani (D)	50.60	Greneda	E. Caribbean \$	2.70 2.3875	Paraguay	(Guerani le,c)	240,00
Albania	Lok Disea	6.3402 5.09	Guadaloupe	FTRAC	1.00	Peru	Soliai	4743.50
Ageria	Fr. Franc	9,3876	Ouatemala	Quetzal (0) (18)	1.00	Philippines	Peso	19.94
Andorra	15p. Peseta	170.43		Quetzel In.	1.47 94,5529	Pitcairs le.	N.Z. Dellat	6,0475
Angola	Kwanza	22.919	Cuines Sissau	Pero	24,8619	Portugal	Excude	193,59
Antigua	New Paso (c)	150.80	Guinea Rep	Dollar (5)	4.12	Puerto Rigo	U.5. 5	1,00
Australia	Dellar	1,1704	Naiti	Gourde	0,00			
Airstrin	Schiling	21,5625	Honduras Rep	Lempira	e.00 2.05	Gater		3,641
Azores		164.50	Hong Kong	Dellar	7,2945	Reunion, fie de la	Fr. Franc	8.3876
Cahamas	Dollar	1,00	Hungary	Forint	50,8586	Romania	Leu IO)	4,42
Bahrain	Dinar 50. Peseta	170.45	loelano		39.755	Rwanda	Franc	103.442
Bangladesh	Taka	25.03	India	Rupee	16.19	St. Inristopher	E. Caribbean #	3,70
Barbados	Dollar	2,5113	Indos esia	Rupian	1069.00	St. Lucia	Found"	1,211 6,73
Belgium	Franc (C)	01,7075	Iran	RIBI IO)	0,3109	St. Plerra	Fr Franc	9.3875
Belize	Dollar	6.00	Irish Rep	Pust	1.017	St. Viscant	E. Caribbeen #	9.70
Senin'	C.F.A. Franc	6.00 469,373	inconi	Shekel	590.55	i semos (western)	Tala	2,1210
Bermuda	Dollar	1.00	Italy Ivory Coast		1895.50 469,375	Samoa (Am.)	u.a. e It. Lira	1595,60
Bhutan	Pero (12)	6785.50			4.84	Sao tomo &		
Sotewana	Pula	1,4810	Jamai ca	Donar (o) (a)	246.43	Principe OR	Dobra	45.5724 3,5595
Brazil	Cruzeira (o)	2874.00	Jerdan	Oinat	0.8903	Saudi Arabio Senegei		: 460 276
Stunci	uollar'	2.1577	Kampuchea	Riel	0.8.			469,376 7,2861
Bulgarie Burkina Fato	C.F.A. Frano	1.032	Kenva.	Shilling	14.2922	Sierra Leose	Leone	9.54
2urma	Kyet	2,5621	Kiribati Kores (Nth)	Won	0.94	Sisgapora	Dollar	2.1677
8urundi		125,574	Korea (Sthi	Won	223,10	Somali Rap	Shillen (11)	96.00
Cameroun Rp	C.F.A. Franc	469.373	Kuwait		0,3030	South Airica	Rand	1.8960
Canada	Doller 50. Peseto	1.3198	Lao Pipis D. Rep	Kip	33,00	2pain		170,46
Cape Verde la	Escude	69,2698	Lebanes	Pound	8,29 1,8265	Spas. Ports in N.) Africa	Sp. Pesete	170.49
Caymas Is	Dollar	0.835	Liberia	Dollar	- 1.00	Sriistka	Punee	
Cen. Africa Rep	C.F.A. Franc	469.375	Libya	Oinar	0,2961	Sri Lanka	Pound" -	25.17 0.7098
Chile	Peso (11) (0)	161,85	Licontenst'n.	SW. Franc	9.6357 01.7575	Surinam	Cuilder	· 1.763
China	Renminbl Yusn	6.77	Macao		8.1330	Sweden	Liangeni Krene	1,8255
Colombia		111,55 469,370	Madagascar 0, R.	Franc.	645.109	SWITZERLand	Frase	9.5357
Congo Polo Rep.of (	S.F.A. France )	469,375	Madora	Port Escudo	164.60	Syria	Pound (O)	9.5357
Costa Rica	Colon (4)	47.73	Malowi	Kwacha	1.5430	Telwan	Doller (D)	39,45
Cuba Cyprus	POSO Poursel P	0.2996	Maleysia	Rufiyaa je)	2.4190 3.23	Tanzania	Ohilling	17.50
Czechoslovakia	Corune (O)	6.65	Maidive Is	Ruflyas (m)	. 7.05	Thailand	Baht (8)	25,67
Denmark		11.0165	Mall Rp	C.F.A. Franc	409.375	Togo Rep	C.F.A. France	459,375
Olibouti Rp. e1	Tana	121.575	Martinique	Lina*	9.0725	Trisidad & Tobago	Paranga Dollar	1.1704
Comisica	E. Caribbsan S 🔰	2,70	Mauritania	Thou ya	57,26	TUDINE	Ginar	0.8485
Domin. Rép { 1		1.00	Mauritius	Rupec	15,105	Turkey	Lira	431,775
1	UCTE (O.C)	07.16	Mexico	Peso Idi	605,42	Turks & Calcos	U.9. 5 Auth Dellar	1.00
Ecuador	lucreidi	119,50	Miqueion	Peso (c)	198.00		YORF POUR	1.1704
	uercif)	23.70	Monaco	Fr. Franc	9.3870	Uganda	8billing	665,44
Erypt	round	0.6310 2.50	Mongolia.	Tuarik (o)	3.3666			3.673
	alon (d)	4.00	Montserrat	E. Caribbean S	2,70	United Arab Emir Utd. Klagdom	Pound Sterling"	1.011
Earti Cuines		340,90	Morocco	Dirham	9,10	Uruguay	Peso (m)	68,88
Ethiepia 8	SirnO)	2.052	Mozambique	MELICE	45,739	U\$\$R	Rouble	0,8030
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Faikland Je'd F F(j] C		1,911 1,1277	Nauru Is	Aust, Dollor	1.1704	Veticen	Valu . Lira	101.317
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Fr. C'ty in Al C Ft. Guiana F	.F.A. Frans	452,375	Noth Ant'les	Guilder	1.80 9.0470	}	Bollvariei	12.43 13.30
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			Nicaraguo	Cordeba (d)	200,00	T YIFGUN IS. SPIC	U.8.5	1.00
Dabon	.F.A. Franc	469.375	Nigor Rp	D.F.A. Franc	460.375	Virgin Is. U.S	U.S. 8	1.00
GambirD Garmany (E)		4.1288 3.0037	Nigstia	NEIRO	0,2048	Yamen	Rial	0.10
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CibraltarP	ound i	1,211	Pakistan	Rupee	10.0778	Zaira Rop	Zaira	40_2054
Arrist Bleen								
Groece	rachma	126.15	Panama	Balboa	· 1.00 · 0.9238	Zambia Zimbabwe	Kwacha	2,1053

n.s. Net sveilsbis, (m) Merket rele \* U.S. dellars per Netional Currancy unit. (s) Fraemerket Centrel bank. (c) Official rete. (b) Freemerket leter-bank. (c) Commercial rete. (d) Freemerket. (el Controlled. (f) Financial iste. (g) Pmicientel rates. (h) Nex-esseuel Imperts. (i) Fioanny teurst rets. (f) Venezuels: For debts incurred prior to February 1983. (2) Seudi Arabiz: Sept 16. Rivel devalued to 3.56. (3) Polend: Zetty officially devalued Sept 1. (4) Cesta Rice: Officiel devaluation effective Sept 3. (5) Chile: Sept 18. Official devaluation of 19 per cent. (6) Official devaluation of septiox. (7) Nerway: Sept 23. Krens devalued by 2 per cent. (8) Thelland: Nev 5. Official devaluation of septiox. (14) devaluation el approx. 9 per cent. (7) Nerway: Sept 23. Krens devalued by 2 per cent. (8) Thelland: Nev 5. Official devaluation of septiox. (14) per cent. (8) Jonnece: Nev 8. Reis edjustiment fixed by Centre Izonk bi-weakly section. (10) Iceland: Nev 19. Central Genk sensunced se a average 12 Nev 23, Two-siler rate seteblished. (14) Genes: Dec 3 Ced, devalued from 38.5 to 50. For further islocimation please centact yeur local branch el the Bank of Amarice.

S WORLD VALUE OF THE DOLLAR

BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON



38

### FT INTERNATIONAL BOND SERVICE

FT INTERNATIONAL BOND SERVICE	State Sk. M.S.W. 5% 54	Col-Lat Kangro 5/a 29	CAPITAL
The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for December 6.	Awanga pita changa On day 0 on wach +1% Changa on YEB STRAKHTS issued Bid Offer day week Taid Asian Dev Br. 7% 94 15 100% 101 0 + 014 7.25	Lapis Euro S 2024 9	Swiss ban
U.S. DOLLAR         Change on         Workfamster 12% 87	Complement 74%         D4         10         101%	Jacogo 514 52 5	offering a
Cannon USA 1246 80	Change on         Change on           GTHER STRAGETS         Issued         Bid         Offer day         weak         Yets           Chryster Gradin 13         69         CS	CONVENTER         Car.	
Unsummer Angelon 1374 81_100         100 1964 18454 - 010 1021           Consumer Xangelon 1374 81         100 1965/2 106 + 010 - 010         1021 1221         Bacter Trainend 744 94         200 9370 1965/6 0 6 7.21           Consumer Xangelon 1374 81         100 1965/2 106 + 010 - 010         Colspan="6">Colspan="6">100 1965/2 106 + 010         Colspan="6">100 1965/2 106 + 010         Colspan="6">Colspan="6">200 9370 1865/6 0 6 7.21           Consumer Xangelon 14 81         200 9370 1865/6 0 6 7.21           Consumer Xangelon 14 81         200 9370 1865/6 0 6 7.21           Consumer Xangelon 14 81         State 100 1057/2 1067/6 - 010         Colspan="6">Colspan= 67/2 00         Colspan="6" Colsp	Number 13% 94 CS30         7182%113% 0        C% 12.01           Metra Teruta 13 44 CS50         7105%115% 0         -C% 12.01           Track Carp 13 89 CS50         7105%115% 0         -C% 12.01           Wenna Carp 13 89 CS50         7105%115% 0         -C% 12.01           Wenna Carp 13 89 CS50         7105%115% 0         -C% 12.05           Wenna Carp 13 89 CS50         7105%115% 0         -C% 12.05           Wenna Carp 13 89 CS50         7105%116% 0         -C% 12.05           Wenna Carp 13 89 CS50         71105%116% 0         -C% 12.23	Horizz Matter 5'4 92.         6/83         884         122 Vg         128 Vg         -134         -141           Kentenneus Peans 2 83.         10/92         073         63 Vg         64 Vg         +94 Vg         456           Latur 3' 9 55.	BY MAGGIE URRY IN LONDON THE THREE BIG Swiss banks launched a Eurobond denominated
Ex-Im         Bit Japan         13%         81         75         1897%         1187%         + 6%         + 6%         18.05         Ferroring         Data         130         197%         192%         - 9%         + 4%         7.53           Export         Dar Corp 12.88         100         191%         102         -0%         11.50         Forbal         Data         100         191%         + 6%         7.53           Point         Fed         1.50         Forbal         Data         7.9         100         191%         + 6%         7.26           Rest         Save         12%         103.4         -9%         -0%         11.50         Forbal         Ray         7% 51         100         191%         + 6%         + 8%         7.26           Rest         Cost         100         122%         103.4         -9%         -9%         1.57         Good lat         For 7% 91         100         161%         161%         -0%         -10%         10%         10%         10%         10%         10%         10%         0         0         0         10%         10%         0         0         0         0         0         0         0         0 </th <th>World Bank 12% 91 C5</th> <th>Numet: 217 2020764 2373 99% 108% -1% 225 Namet: 217 2020764 2373 99% 108% -1% 25 Namet: 2174 28% -1% 25 Namet: 2174 28% -1% -228 De Des Ted 3% 25764 405 50% 51% -1% -228 De Des Ted 3% 25063 2558 20% 51% +1% 1.24</th> <th>in European currency units in Lon- don yesterday for the European Io- vestment Bank. Following the route used for an EEC issue earlier this year, the bonds are expected to be</th>	World Bank 12% 91 C5	Numet: 217 2020764 2373 99% 108% -1% 225 Namet: 217 2020764 2373 99% 108% -1% 25 Namet: 2174 28% -1% 25 Namet: 2174 28% -1% -228 De Des Ted 3% 25764 405 50% 51% -1% -228 De Des Ted 3% 25063 2558 20% 51% +1% 1.24	in European currency units in Lon- don yesterday for the European Io- vestment Bank. Following the route used for an EEC issue earlier this year, the bonds are expected to be
Indust B:         Japan         100         1024         1044         1047	Bit-Lets 847: 83 F1	Sector 374 59         10/64         5434         9346         -144         3,58           Sektor Hours 2 29         6/84         812         8746         8846         -044         3,58           Santrace Cop 24 99         5/84         812         8746         8846         -044         1,11           Santrace Cop 24 99         5/84         912         8746         910         12         4144         8747           Taket Fish 748         99         10/24         7683         91         02         4144         8747         1474         7683         91         02         4144         7647         1412         1414         7447         1414         1414         1414         1414         1414         1414         1414         1414         1414         1414         1414         1414         1414         1414         1414         1414         1414         1414         14144         1414 <td>bought in Switzerland. The deal looked attractive, however, and Londoo bond houses were keep to buy.</td>	bought in Switzerland. The deal looked attractive, however, and Londoo bond houses were keep to buy.
Microsofta         1274         85         180         1874         81         122         Baymodia         0/5         Fin         736         94          125         10216         10276         8         + 694         7.11           Microsofta         1102         87         100         100         1001         -074         11.10         Science Cost Number 0         01         102         10234         0         7.23           Microsofta         Composite         Composite         Composite         Composite         0.91         100         102         1034         0.02         1034         0         7.23         Microsofta         100         102         1034         100         7.45         44         7.11         Science Cost Number 0         01         102         1034         0         7.45         44         7.11         1.01         100         1024         0         7.45         44         7.41         1.01         100         1024         0         1.01         1.01         1.01         1.01         1.01         1.01         1.01         1.01         1.01         1.01         1.01         1.01         1.01         1.01         1.01         1.01	Dommark         10%         88 f.         75         98 ks         1121           Densark         11%         94 f.         75         1014s         103 ks         -01 s         11.21           Densark         11%         94 f.         75         1014s         103 ks         -01 s         11.47           ELC         11%         94 f.         50         1014s         101 ks         +01 ks         11.07           ELE         10%         92 f.         50         97         97 ks         -01 ks         +01 ks         21           Ionamin 0 ks         93 f.         100         122 ks         103 ks         0         +10 ks         21           Ionamin 0 ks         93 f.         100         50         85 ks         95 ks         0         +10 ks         21           Ionamin 0 ks         93 f.         50         85 ks         95 ks         95 ks         11.52	Argen Rd Sa 21,6 52 85	The Ecu 100m issue has a nine- year life and pays a 10% per cent coupon, Issue price is par, at which the bonds were being bid. Swiss
Margun Gaurany 12% 88	New Zackand 1000 898 £	* He information ensibility previous day's price. 1 Only one market maker supplied a price. Straight Bonds. The yield to redeception of the mid-price; the account langed to	Bank Corporation International was the book runner, with Credit Suisse First Boston and Union Bank of Switzerland (Securities) as
Proteinty JC. 12% 01	Linded fack 1144 88 2	in millions of surveys units except for Yan bands where it is in billions. Change on week - Change over price a work ourfar. Planting Bata Rotes; Genomizated in dellars unlass enhances is allocated. Com- pen shown is minimum. I data - Data ment coupen becomes effective. Baread - Nargen store is uni-nearch affraud rate (11) three mouth is alloca mean rate)	co-leads. New issues in the Eurodollar sec- tor had a tougher time yesterday, except for a \$100m straight issue for Marubeni, the Japanese trading
Same: D/S Fini 11% 81100         100         100/2 + 8% 5         11.55         Field 5% 5211         118         1984/2 65% 8         8         5.68           See Pac D/S Fini 12 02	BUTTES         Symmal         Bid         Offer         Cube         Cupe	for U.S. dollars. Exps current cospon. Do. yi6 - current yeld. Convertible boards: Descripted in dollars unless attravice indicated. Dig. day - Change on day. Dae. data - Fest data for conversion into shares. Day, price - Nonmal amount of band par share expressed in currency of share at cu- version rate fored at issue. Frag Percentage produce of the current effec- version rate fored at issue. Frag Percentage produce at the current effec-	company. That issue, lead-managed by Yamaichi International, was bid inside its 1% per cent selling conces- sion. The seveo-year bonds have a
Texance Capital 127% 87	Bercharse 0/3 low 5 2004         DVb         100Va 100Va 2/3         12.27           despine 5 2004         0Vb         100Va 100Va 2/3         12.31         12.27           despine 5 2004         0Vb         100Va 100Va 71/4         13 lb         12.13           BF.C.E. 5Vb 59         0Vb         100Va 100Va 71/4         12 lb         12.13           BF.F.E. 5Vb 59         0Vb         100Va 100Va 71/4         12.13         12.13           BF.F.E. 5Vb 59         0Vb         100Va 100Va 71/2         11 lb         12.33           B.M.P. 5Va 50         0Vb         100Va 100Va 21/1         12.48         12.33           B.M.P. 5Va 50         0Vb         100Va 100Va 21/1         12.44         12.84           Catacora 0VA 5Va 50         50acara 0Vb         96Va 107Va 111.11         11.23	the proce of acquiring shares via the bond over the mest meant price of the shares. © The Financial Trans Ltd., 1984, Reproduction in whole or is part in any form not permitted without writing compose. Data supplied by DATASTREAM inter-	11% per cent coupon and par issue price. The Sohio bond-with-warrants deal, which was the subject of com-
Web Diamy Pro 12// 87	Chulit Lyonnaiz 54k 98	nstanzel. High Low Lass Clong Stack: Sales High Low Lass Chang (Hinds)	petitive bidding on Wednesday, was launched by Credit Suisse First Boston yesterday. The bonds have a four-year life and pay a 10% per
	Orbit         1138         51 <sub>8</sub> 51 <sub>9</sub> 51 <sub>8</sub> -1 <sub>6</sub> PeropPit         223           Orbit         201         61 <sub>6</sub> 64 <sub>6</sub> 64 <sub>6</sub> PeropPit         233           Orbit         201         61 <sub>6</sub> 64 <sub>6</sub> 64 <sub>6</sub> PeropPit         233           Orbit         201         51         144 <sub>6</sub> 144 <sub>6</sub> PeropPit         43           OttrTP         2.65         50         275 <sub>8</sub> 273 <sub>8</sub> PeropPit         43           Oversep         130         105 <sub>16</sub> 105 <sub>2</sub> Permits         112         713           Oversep         130         105 <sub>16</sub> 105 <sub>2</sub> Perrop         562           Oscoo         307         34 <sub>6</sub> 35 <sub>2</sub> 35 <sub>16</sub> +4 <sub>16</sub> Owerset         307         34 <sub>6</sub> 35 <sub>2</sub> 35 <sub>16</sub> +4 <sub>16</sub>	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	cent coupon, but have a 97% issue price. Fees totalled 1% per cent, and bonds were offered at that level. The warrants, priced at \$25, had a new exercise price. feature. They
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	P-Q PcSw B2	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	buy into a seven-year 10 per cent bond at a price to give a redemptioo yield of 11% per cent, the price ris- ing during the life of the warrant.
Monalit 1389 1412 14 1412 +12 Nelson 547 714 614 714 +14	PHC         2.32         194         4du         4du         4du         +tu         Plantifier         522         233           Patters         346         103, 105, 103, 143, +tu         Plantifier         52         233         10         103, 105, 103, 143, +tu         Plantifier         52         233         10         10         Plantifier         52         233         10         10         10         10         Plantifier         52         233         10         10         10         10         Plantifier         52         233         10         10         10         Plantifier         265         Plantifier         10         Plantifier         10         Plantifier         10         Plantifier         10         Plantifier         10         Plantifier         10         Plantifier         14         10         Plantifier         14         10         Plantifier         14         10         Plantifier         14         Plantifier         14         Plantifier         14         Plantifier         Plantifier         15 </td <td><math display="block"> \begin{array}{c ccccccccccccccccccccccccccccccccccc</math></td> <td>The structure did not immediate- ly appeal to investors and the war- rants were quoted around \$20, with some dealers suggesting even lower</td>	$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	The structure did not immediate- ly appeal to investors and the war- rants were quoted around \$20, with some dealers suggesting even lower
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	Person         723         14%         15         14%         +1%         Perconv         15           Person         60         253         14%         14         14%         -1%         Perconv         15           Person         165         5%         5%         5%         -1%         Product         17           Person         175         5%         5%         6%         +1%         Proving         28         108           Paulitin         38         12%         17%         17%         7%         16%         Previow         288         108           Paulitin         38         6%         5%         6%         4%         Previow         288         108           Paulitin         38         6%         5%         6%         4%         Previow         288         108           PayN         50         1         22%         22%         Precons         474         Precons         2268	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	levels. Morgan Stanley brought two floating rate note deals to the mar- ket. With a oumber of such issues
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$		having been made recently, both traded around their 1 per cent total fees. First City Bancorporation of
NHathC 30e 2 214, 204, 204, -2 Norson 71 64, 6 6 -4 Orbanc 7 13/2 13/2 13/2	Peopler SD4 84, 84, 82, PullTin 238		Texas, an A-rated bank and the 110th largest bank in the world, is raising \$100m through its FRN. It has a 10-year life with no put op- tions, and is senior debt. It yields 74
	· · · · · · · · · · · · · · · · · · ·	Replano         44         68         77,         71,         71,         71,         71,         71,         71,         71,         71,         71, </th <th>tions, and is senior debt. It yields 7a per cent over the three-mooth Lon- doo interbank offered rate (Libor),</th>	tions, and is senior debt. It yields 7a per cent over the three-mooth Lon- doo interbank offered rate (Libor),
Love at firs	4 ciba	Bitzys         42         25         25         25         -1           Paul         50         137         124         17         12           Roads3 \$ 1         665         30         234         30         +1           Roads3 \$ 1         665         30         234         30         +1           Roads3 \$ 1         65         30         234         30         +1           Roads3 \$ 1         65         30         234         30         +1           Roads3 \$ 5         1         65         20         13         154         14           Roads3 \$ 55         20         13         154         55         -2         14         14           Roads3 \$ 55         20         13         154         55         26         55         25         355         355         354         354         354         354         354         355         355         355         355         355         355         355         355         355         355         355         355         355         355         355         355         355         355         355         356         356         356         356	AmRo plans ex AMSTERDAM - Amsterdam-Rot-
		Hourse 92 251 365, 365, 365, Roy6569 160 2 1/2 2 +1 Roy669 160 1 176, 165, 16	AMSTERDAM – Amsterdam-Rot- terdam Bank is planning a Fl 200m, 7% per cent extendible bond issue

#### Financial Times Friday December 7 1984

# CAPITAL MARKETS Swiss banks' Ecu

# appeals n buyers

BHF Bank bond average

1984

and Swiss franc markets. The DM 80m deal is a public issue lead man-aged by Deutsche Bank, while the

Both have a 5%-year life, but the

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Morgan Stanley lined up six co-leads for the Issue, despite some early confusion over the level of fees which had been incorrectly an-

nounced at 90 basis points. The second was the first public is-sue for Rothschild in its 181-year history and the first from a UK bank since the Bank of England issued its new guide lines. This has a 30-year maturity and pays 4 per cent over six-month Libor. Again, there are no investor puts, but this is subordinated paper, and is count-

ed as secondary capital. The secondary market was again quiet and prices were a little weak-Renown, the Japanese clothing group, simultaneously launched coovertible issues in the D-Mark

SwFr 100m part is a private place-ment by UBS. indicated coupons are different -the D-Mark issue is a 314 per cent, the Swiss franc is a 2% per cent. Deutsche Bank is making its first public bond issue in Swiss francs, raising SwFr 100m. The issue is

lead managed by SBC. The 10-year bonds have a 5% per cent coupon and 100% issue price. The Australian Creditanstalt-Bankverein was also making a

Bankverein was also making a Swiss franc public bond issue for SwFr 100m, lead-managed by Wirt-schafts- und Privatbank. This also has a 10-year life, but has a 5½ per cent coupon and par issue price. Banque Gutzwiller set the coupon for the New Zealand Steel Dévelop-ment issue at 7½ per cent. It will be refixed after six years at % per cent over Swiss confederation bond

over Swiss confederation bond yields. Swiss franc bonds were little

# changed yesterday, while D-Mark issues were up % to % point. ASEA, the Swedish industrial ro-bot group, is raising LaxFr 600m through a five-year bond with a 9% per cent coupon lead-managed by Banque Générale du Luxambourg.

### ssue

**Obviously** something has been attracting technically advanced firms from around the world to Bavaria, making it Europe's premier location for high-performance companies. Consider this combination of typical strengths:

Bavaria has a traditionally stable government committed to the principle of help for self-help. Solid support for education and vocational training, research and technology transfer, a consistent strengthening of the state's infrastructure, and a variety of investment incentives.

**2.** Germany's largest federal state. covering 28% of the nation's land area, Bavaria offers sites for industrial settlement practically throughout the state. A company locating in Bavaria can tailor its facilities from available space amounting to more than 27,000 acres.

Bavaria, Continental Los a technically advanced economy employing, for example, one-fourth of all Germans active in electronics and electro-technology-in industries such as components manufacture, telecommunications, dataprocessing, entertainment electronics, and electromedicine.



Bavaria, Continental Europe's of one of Europe's highest concentrations of user industries of advanced technology products. with electrical and mechanical engineering, automakers, and the German aviation and aerospace industries-about 50 % of which are in Bavaria-heading the list

50 Bavaria, where more people are employed in R&D in the industrial sector than in any other state, is a leading research center. It is the home of numerous universities and technical colleges as well as of the world-famous Max-Planck Institute, Fraunhofer-Gesellschaft and new research facilities for microelectronics and biotechnology.

Bavaria is a land of tra-ditional values. Entrepreneurial drive and a strong work ethic are the bedrock of growing prosperity in Bavaria where government, the business and labor community, as well as the academic world have linked their resources to create an ideal environment for high-performance companies.

Not bad for a state famous for its charming lifestyle. If your company is looking for a new love in Europe, take a close look at Bavaria. It'll be love at first site.

see Se	
	Bavarian State Ministry of Economics D-8000 Munich 22, P.O.B., Federal Republic of Germany
<u>R</u>	Please send information about location opportunities in Bavaria.
avai	Name
formance companies.	Sorres
ionnunce companies.	<u>City</u>

Bavaria is at the heart

Potem	1 6 1 4 .05 2 1 92 2 1 1 8 1 7	45 HA 51 36 2 51 27 51 77	294 30 53 53 53 123 123 12 54 85 133 14 55 355 32 142 14	****	AMST terdan 7% per due 19 to be a	ERDA Banl cent 91/200	M - k is pl exter 0, with need o	Ami annin adibla th the	sterda ng a Fi e bonc e issue cembe	m-Rot- 200m, 1 issue e price er 12.	Eau but h Febru right cent l	rly red etween lary 15 to con bonds d	empti 1 Jan 1990 ivert fue 19	on is uary invest them 196/20	not 15 tors inte 05.	allo 1990 have	and the per
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**Bavaria.** Fertile soil for high-per